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# Partnerships on Development

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# Summary

In this thesis, emphasis is on the positive impact companies that can have on the fulfilment of human rights. Regarding human rights and business, one can mainly read about companies' violations of human rights. In my opinion, this negative approach will not stimulate them to improve their policies and performances. A more positive approach can be a motivation for companies to take the opportunity to try to have a positive impact on society. Therefore, this thesis demonstrates how a company can contribute to the fulfilment of human rights through a partnership between business, civil society and governments. Furthermore, the advantages for companies to engage in a partnership will be highlighted.

Besides the implementation of a Code of Conduct, 'the partnership model' proves to be an effective approach to tackle pressing human rights issues. These multi-stakeholder partnerships can achieve goals, which one actor alone is not able to do. To create sustainable community development it is essential to let the local people participate in the partnership and let them be responsible for their own development. Therefore, this thesis focuses on capacity enhancement and meaningful participation of local people, which contributes to the empowerment of local communities. The process of empowerment requires changes of attitude and for this reason, a long-term planning is essential in a partnership on development. Empowerment starts with making people aware of their rights and opportunities, and ends when they are able to claim their rights effectively. Through the empowerment of local communities, a partnership can have a positive impact on society and indirectly contributes to justice and the fulfilment of human rights.

The main case study in this thesis is the partnership between IKEA and UNICEF on the elimination of child labour in Northern India. In cooperation with all partners, I formulated indicators in order to measure the empowerment of the local community and in order to see whether the partnership contributes to the fulfilment of human rights, especially children's rights.

# Preface

A number of organisations and institutes have done research on the issue of partnerships. Nevertheless, not much in-depth research on the issue of empowerment through partnerships has been done so far. Since I believe that empowerment can effectively contribute to sustainable community development, I decided to focus my research on the positive impact that companies can have on this process of empowerment. After reading reports from companies, NGOs and governmental agencies on empowerment issues in relation to partnerships, many interesting results arose. However, I did not want to draw all my conclusions solely from reports. This is how the idea of my field research was born. Talking to different partners involved in partnerships on development and visiting local communities would give me first hand information and make my research far more interesting. Luckily, a company was willing to help and support me in this research and gave me the opportunity to visit a partnership area in India. This company, IKEA, has been engaged in a partnership with UNICEF for many years, which means that they have in-depth experience and I could learn a lot from them. Moreover, their partnership focus is on child rights and improving the lives of local communities. This inspired me a lot and gave me even more inspiration to focus this master thesis on the positive impact partnerships can have on development issues.

Besides the research in India, I gained practical experience through completing an internship in a Dutch human rights organisation: *Aim for human rights*. They develop tools for human rights impact assessment (HRIA) and I work there in the human rights & business program. This program assists companies in human rights compliance assessment, provides training for companies on human rights issues and organises, for example, workshops at a HRIA conference. During the internship, I read many relevant documents and learnt many things that I could use for the benefit of my thesis. *Aim for human rights* works closely with the Danish Institute of Human Rights and both organisations offered me help and assistance with my thesis. Furthermore, I would like to thank IKEA and UNICEF for all their help and support during my research and I would like to thank Radu Mares for his excellent supervision on this thesis.

# Abbreviations

|        |   |
|--------|---|
| ALC    | Alternative Learning Centre   |
| Art.   | Article   |
| BLIHR  | Business Leaders Initiative for Human Rights                                  |
| BPD    | Business Partners for Development   |
| BSR    | Business for Social Responsibility  |
| CEDAW  | Convention on the Elimination of All forms of Discrimination<br>Against Women |
| CEP    | Corporate Engagement Project  |
| CRC    | Convention on the Rights of the Child   |
| CSR    | Corporate Social Responsibility   |
| GRI    | Global Reporting Initiative   |
| DIHR   | Danish Institute for Human Rights   |
| HRCA   | Human Rights Compliance Assessment  |
| HRIA   | Human Rights Impact Assessment  |
| IBLF   | International Business Leaders Forum  |
| ICCPR  | International Covenant on Civil and Political Rights                          |
| ICESCR | International Covenant on Economic, Social and Cultural<br>Rights             |
| IGI    | Income Generation Initiative  |
| ILO    | International Labour Organisation   |
| ISO    | International Organisation for Standardisation                                |
| IWAY   | The IKEA Way on Purchasing Home Furnishing Products                           |
| MDGs   | Millennium Development Goals  |
| NGO    | Non-governmental Organisation   |
| OECD   | Organisation for Economic Co-operation and Development                        |
| SR     | Social Responsibility   |
| SRSR   | Special Representative of the Secretary-General                               |
| SSP    | School Support Programme  |
| UDHR   | Universal Declaration of Human Rights   |
| UN     | United Nations  |
| UNDP   | United Nations Development Programme  |
| UNGC   | United Nations Global Compact   |
| UNICEF | United Nations International Children's Emergency Fund                        |
| U.P.   | Uttar Pradesh   |
| WSHG   | Women Self-Help Group   |

# 1 Introduction

The process of globalisation creates opportunities for social and economic improvements. Unfortunately, the current global content does not bring uniform improvement worldwide and there are still many people around the world living in poverty. There is a need to regulate and guide the market to realise all human rights and fundamental freedoms.<sup>1</sup> However, in this globalising world with powerful multinationals, solely governments are not able to regulate and control the global markets. Companies are, for example, a major actor in the violation of human rights and until now, it is difficult to hold companies responsible for these violations, especially when they occur in the supply chain abroad. However, the fact that the international legal framework grants insufficient protection does not mean that human rights violations by companies should be accepted. In the challenge of combating the root causes of poverty, which is a cause of many other human rights violations, it is important to reach and empower poor people and transnational corporations can be more capable and successful than governments to act globally in this respect. Multinationals have to respect and protect human rights and should use their power in order to contribute to the fulfilment of human rights.

More companies start to realise it is not enough anymore to say that they work responsibly and in a sustainable matter. The society asks for proof and wants to see social and environmental reports, which demonstrate clear results of performance. This forces more businesses to adopt a corporate social responsibility policy and formulate ethical business principles, like a Code of Conduct. According to the UN Special Representative on Business and Human Rights, today most of the world's major firms are aware of their responsibilities regarding human rights.<sup>2</sup> That companies have increasingly started to recognise the importance of being responsible for the human rights practices of their suppliers is not just a response to public pressure but also an understanding that a 'good' product or service does not only refer to the quality but also to the way it is made.<sup>3</sup> One example of a business approach to include human rights in their policies is to engage in multi-stakeholder partnerships. These partnerships are an interesting and rather new method of cooperation between, for example, companies, sub-contractors, NGOs, governments and the United Nations. A multi-stakeholder partnership can tackle pressing social issues and build a framework for sustainable progress.

However, until now, only a few big leading companies implemented this partnership approach and companies outside the publicity are still not very active in their corporate social responsibility approach.

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<sup>1</sup> UN Economic and Social Council, E/CN.4/2004/WG.18/2, 17 February 2004.

<sup>2</sup> J.G. Ruggie, *Draft Interim Report of the Secretary-General's Special Representative on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises*, Harvard University, John F. Kennedy School of Government, para. 38, February 2006.

<sup>3</sup> M. Jungk, *Complicity in human rights violations; A responsible business approach to suppliers*, Human Rights & Business Project, The Danish Institute for Human Rights, 2006.

Therefore, it remains necessary to continue developing new regulations in order to hold companies liable and responsible for human rights violations. Nevertheless, I believe it is also important to focus on the companies who are willing to work on development issues and contribute to the fulfilment of human rights. There should be put effort in the promotion and the protection of human rights as they relate to transnational corporations by whatever measures best create change where it matters most.<sup>4</sup>

In my opinion, child labour is one of the most striking human rights violations made by companies. An estimated 218 million children between the age of five and seventeen years old are engaged in child labour worldwide, of which approximately 100 million of them are located in India.<sup>5</sup> It is not easy to combat child labour, but partnerships offer the opportunity to combine all skills and competences in order to combat this pressing social issue. Children are the future generation and it is essential to invest in them and give children the skills and knowledge in order to enable them to develop their community. Due to the urgency to combat child labour and my interest in this topic, I choose to look into the partnership between IKEA and UNICEF, which focuses on the fulfilment of child rights and on the elimination of child labour. Because women play an important role in the fulfilment of children's rights, the thesis will also look into female empowerment and the fulfilment of women's rights.

### **Methodology and Theoretical Framework**

In this thesis, I will look at the positive influence that companies can have on human rights issues. Companies can contribute to the fulfilment of human rights in the way they do business. For example, through better labour conditions and more control over supply chain management. If companies act in an enlightened long-term self-interest, rather than narrowly and in the short term, corporate social responsibility can motivate employees and strengthen brands, while also providing benefits to society.<sup>6</sup> Companies act out of a sense of 'enlightened self-interest' by trying to tie community activities to the mission, vision and strategic goals of the operation. Through partnerships on development, companies can create a more explicit positive impact on local communities. Instead of focusing on minimising the negative impact of business activity, a partnership has to focus on the additional value companies can have on community development. This far-reaching opportunity that companies have, actually goes beyond the formal rules and minimum requirements. One can see it as a positive obligation of businesses towards society to contribute actively to the fulfilment of human rights, which can be part of the corporate social responsibility of a company.

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<sup>4</sup> J. Ruggie, *Response to Fédération internationale des ligues des droits de l'Homme*, 20 March 2006.

<sup>5</sup> [http://www.savethechildren.org.uk/en/docs/child\\_slavery\\_briefing.pdf](http://www.savethechildren.org.uk/en/docs/child_slavery_briefing.pdf), [http://www.unicef.org/protection/index\\_childlabour.html](http://www.unicef.org/protection/index_childlabour.html), last visited on 25 November 2007.

<sup>6</sup> J. Nelson - IBLF, *In search of the good company*, The Economist, New York, 6 September 2007.



I did research on the challenges and successes of multi-stakeholder partnerships and particularly on the challenge of the meaningful participation of the beneficiary. The focus of this thesis is on the empowerment of local communities resulting from a partnership. To have a sustainable positive impact on community development, it is necessary in a multi-stakeholder partnership to be on an equal footing with local partners. Therefore, meaningful participation, capacity enhancement and the empowerment of local stakeholders are priority success factors of partnerships on development. The goal of this thesis is to formulate indicators to measure the empowerment of local communities following multi-stakeholder partnerships.

There exist several indicators and assessment methods related to human rights, for example, those developed by the Danish Institute for Human Rights. However, until now there has not been a clear method to assess the empowerment of local communities. This research assesses the success factors of a multi-stakeholder partnership by looking at cases of best practices, reports, by making comparisons and analysing partnerships. In the formulation of the indicators to assess empowerment, criteria from the UDHR, the OECD Guidelines for Multinational Enterprises, ILO Conventions, the UN Global Compact and, for example, the Declaration on the Right to Development have been included. The main partnership I researched is a partnership between IKEA and UNICEF in Northern India, on the elimination of child labour. In July 2007, I visited the partnership area and interviewed the different partners and the local population.

### **Community Benefits versus Business Benefits**

In a successful partnership on development, all partners have to benefit. There is quite a lot of research done on the business benefits of partnerships. For example, studies from the Business Partners for Development<sup>7</sup>, the Centre for Innovation in Corporate Responsibility<sup>8</sup> and the Cross Sector Partnership Initiative.<sup>9</sup> Reference to these reports and recommendations are included in this thesis, but the focus of the research is on community benefits. Business gets more significant and sustainable results from their corporate social responsibility approach in community investment. If companies are interested in engaging in partnerships on development, they want to be sure their time and money is used for successful ends. The indicators of my research can assist companies in making the decision of whether or not they should get involved in a certain partnership.

There are different possibilities to measure the impact of a partnership on local communities. It is, for example, possible to distinguish between hard effects and soft effects. The hard effects, like new schools, wells, infrastructure and hospitals, are rather easy to measure. The soft

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<sup>7</sup> Business Partners for Development, *Putting Partnering to Work, Tri-sector Partnerships Results and Recommendations 1998-2001* (2002), and *Putting Partnering to Work, Results and Recommendations for Business 1998-2001* (2002).

<sup>8</sup> D. Greenall and D. Rovere, *Engaging Stakeholders and Business-NGO Partnerships in Developing Countries: Maximizing an Increasingly Important Source of Value*, The Centre for Innovation in Corporate Responsibility, November 1999.

<sup>9</sup> Copenhagen Centre, *Partnership Matters – Current Issues in Cross-Sector Collaboration*, Issue 1 2003 and Issue 2 2004.

effects, however, are more difficult to formulate in clear numbered results. For example, the development of the local community regarding empowerment can be measured by the enhanced capacity of the local community to cooperate with the public authorities and other local stakeholders. This enhanced capacity can mean several things, such as the independency of the local community, the improvement of their negotiation and management skills or the ability of local people to continue developing their community in the future without being dependent on cash flow from the company. All above-mentioned results are difficult to define, which demonstrates that it is not easy to measure the process of empowerment.

However, the empowerment of local people and institutions is essential in order to create a sustainable impact on community development. The community has to become more informed, educated and independent in order to be able to continue the development, in case the company decides to abandon the partnership.

### **Main Research Question:**

This thesis looks at ‘partnerships on development’ as an approach for companies to contribute to the fulfilment of human rights and the main case study is the partnership between IKEA and UNICEF on the elimination of child labour. In order to find out whether companies can have a positive impact on community development, the main research question is: How can multi-stakeholder partnerships contribute to the fulfilment of human rights, especially the rights of children?

The thesis starts with explaining and elaborating on the general concept of partnerships. After discussing the dynamics of corporate social responsibility, the thesis looks at the relationship between human rights and business. Even though there is not a significant amount of hard law on the issue of human rights and business, several soft law and voluntary initiatives regarding corporate social responsibility have been developed and throughout the whole thesis, reference will be made to this framework.

After the main features of partnerships, the process and results of my field research in India will be discussed. Unfortunately, there is not enough space to include all of the stories that left a lasting impression, but the best quotes and success stories are placed in special textboxes. The focus is on empowerment through capacity enhancement and meaningful participation. The thesis will also look at business responsibilities and business opportunities towards community development and the concept of a rights-based approach in the context of partnerships. After having elaborated on these topics, conclusions with recommendations for business, civil society and governments regarding the possibilities of partnerships will follow. The aim of this thesis is to stimulate these actors to engage in partnerships and create a positive impact on community development. In order to be practical, writing about concepts and structures is avoided as much as possible and therefore, the thesis concentrates on functional possibilities and opportunities of business in the fulfilment of human rights.

## 2 Conceptual Framework

### 2.1 Relationship between Human Rights and Partnerships

A partnership on development aims to create community development through cooperation between business, civil society and governments. This indicates a human rights component. A partnership on development has to contribute to the fulfilment of human rights, which in broad terms means, the fulfilment of the right to development. However, a partnership can also aim at contributing to the fulfilment of one specific human right instead of the right to development in general. In the partnership between IKEA and UNICEF, the main purpose is to contribute to the fulfilment of children's rights. Before looking into this partnership, the relevant dynamics of corporate social responsibility will be discussed.

#### **The Right to Development**

Article 55 and 56 of the UN Charter indicate the relationship between development and human rights. It demonstrates the necessity of international cooperation in realising progress in economic and social developments. We also find elements of the right to development in Article 28 of the Universal Declaration of Human Rights (UDHR). This article calls for the transformation of the social order to realise the rights of the UDHR in practice.<sup>10</sup> The implementation of human rights is a process of empowerment of the individual human being. This process starts with creating a concept (idealisation), followed up by making standards in international law (positivation) and Article 28 UDHR can be seen as the third stage of the implementation of human rights, the stage of 'realisation'. To provide the real enjoyment of the rights, there is a need for adequate knowledge and acceptance of human rights. For this reason, active participation and increased cooperation is necessary to ensure respect for human rights in economic and social development.<sup>11</sup>

The UN Charter and the Universal Declaration of Human Rights both cover elements of the right to development. Unfortunately, the two legally binding Covenants of 1966 do not include this right specifically.<sup>12</sup> In the early 1970's the idea came to formulate a specific right to development as a human right, which resulted in the adoption of the Declaration on the Right to Development in 1986. Development is the constant improvement of the well-being of the entire population and of all

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<sup>10</sup> G. Alfredsson and E. A. Eide, *The Universal Declaration of Human Rights – A Common Standard of Achievement* (Kluwer Law International, The Hague, 1999) pp. 597-621.

<sup>11</sup> *Ibid.*

<sup>12</sup> The International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights of the Office of the High Commissioner for Human Rights, adopted by the General Assembly Resolution 2200A (XXI), 1966.

individuals.<sup>13</sup> The independent expert on the Right to Development analysed the impact of globalisation on development and he defines the right to development as a right to a particular process of economic growth in which all human rights and fundamental freedoms can be fully realised.<sup>14</sup> In this process of development, participation is essential, and several articles in the Declaration emphasise this.<sup>15</sup> Furthermore, the 1993 Vienna Declaration and Programme of Action reaffirm the right to development as ‘a universal and alienable human right and an integral part of fundamental rights’.

The state remains responsible for identifying appropriate national policies and strategies to harness the right opportunities and create instrumental and constitutive relevance of growth. However, to realise effective national policies in a globalising world, international cooperation and help is necessary. Here the link between the Declaration on the Right to Development and partnerships has become clear. Multi-stakeholder partnerships can form an international development framework and bring governments, civil society and business together to try to implement the right to development. Partnerships on development can move general principles and political commitments towards operationalisation by putting the community at the centre of their own sustainable development.

The Working Group on the Right to Development established a High Level Task Force to consider criteria (identified by Millennium Development Goal 8) for periodic evaluation of development partnerships, which have to evaluate the structure, process and outcome of a partnership. The High Level Task Force found some key principles in order to achieve the right to development through partnerships. Most important is that the relationship between the parties has to be based on mutual accountability and ownership. It has to be clear who has the responsibilities for which task. Furthermore, the principle of equality and non-discrimination has to be taken into account and there has to be a special focus on the vulnerable and poor people in the community. This aspect will be further discussed in the section on the rights-based approach. Another key principle for a successful partnership is that human rights have to be mainstreamed in the programme and be an integral part of all objectives in the partnership. According to the task force, there is a need for clear indicators to measure the effect of the partnership on the right to development.<sup>16</sup>

The Declaration on the Right to Development is more of an umbrella concept that helps in planning policies and programmes, instead of a legal mechanism per se. It remains difficult to specify obligations in international relations. (jo 28 UDHR) However, the Declaration links human rights with global issues and the root causes of human rights violations. Therefore, the Declaration on the Right to Development can be seen as a step forward in the need for a development policy framework to realise all human rights and fundamental freedoms progressively in a sustainable matter.

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<sup>13</sup> Declaration on the Right to Development, 1986, Preamble para. 2.

<sup>14</sup> UN Economic and Social Council, E/CN.4/2004/WG.18/2, 17 February 2004.

<sup>15</sup> Declaration of Right to Development, Articles 1(1), 2(1), 2(3), 8(1), 8(2) and International Covenant on Economic, Social and Cultural Rights, Article 13(1).

<sup>16</sup> UN General Assembly, A/HRC/4/WG.2/TF/2, 7 February 2007, pp. 16.

## 2.2 The Dynamics of CSR

Corporate social responsibility, corporate citizenship, corporate sustainability and corporate accountability are different terms, but often used within the same context. Corporate social responsibility is a business approach that creates long-term shareholders value by embracing opportunities and managing risks derived from economic, environmental and social development.<sup>17</sup> CSR covers both issues of corporate compliance with legal standards (CSR as ‘accountability’) as well as business contribution to development and poverty reduction (CSR as ‘voluntarism’).<sup>18</sup> The recent rise of the CSR movement can be explained by elements at the societal macro-level regarding the uneven effects of globalisation and at the company level regarding their heightened reputation sensitivity and concerns about the social and economical viability of markets.<sup>19</sup> One way to engage business and civil society in development issues is through partnerships.

A multi-stakeholder partnership approach can deliver results which sectors working alone would not be able to achieve. Partnerships have demonstrated significant progress in engaging a broader group of local community stakeholders for increasing profitability while at the same time enhancing community development. Companies that invest in stakeholder engagement and partnership will be better equipped to secure strong relations and maximise the value of the investment.<sup>20</sup> Furthermore, multi-stakeholder partnerships encourage innovative approaches to address social and environmental issues together with business challenges and opportunities and it opens peoples mind to break down traditional ways of cooperating. According to the studies of the Business Partners for Development, partnerships can provide seven main results more than alternative forms of cooperation. These are; access to basic services, growing human capital, poverty mitigation, community participation, environmental benefits, increased awareness, increased social cohesion. Especially the potential to upgrade a partnership to include different communities increases the effectiveness of achievements.

Partnerships are an opportunity to engage people and methods and to solve complex and often sensitive problems. However, it is impossible to find a ‘one-size-fits-all’ model for partnerships. Problems arise differently in different business sectors. Therefore, all partnerships have to find the model that fits in their particular situation. The set-up of a partnership is contextual and the BPD emphasise the importance of flexibility between the partners and the project. This flexibility might seem to contradict the sustainability of the development. However, it emphasises

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<sup>17</sup> Dow Jones Sustainability Indexes, *Corporate Sustainability*, [www.sustainability-indexes.com/html/sustainability/corpsustainability.html](http://www.sustainability-indexes.com/html/sustainability/corpsustainability.html), visited on 18 May 2007.

<sup>18</sup> R. Mares, *The Dynamics of Corporate Social Responsibilities*, Martinus Nijhoff Publishers, forthcoming 2007, pp. 1-2.

<sup>19</sup> M. Ougaard, ‘The CSR movement and Global Governance’ in S. Singh – Sengupta (ed) *Business-Social Partnership, An International Perspective*, Aalekh Publishers, Jaipur, 2005, pp. 142-145.

<sup>20</sup> Greenall and Rovere, *supra* note 8.

that the community should not become dependent on the business service, but that they have to learn as fast as possible how to “do business”.<sup>21</sup> Besides this, no initial agreement is perfect and if parties try to make it perfect, there is little chance that an agreement will be reached. Circumstances can change, different priorities might emerge and there has to be space to correct wrong estimations. If an agreement is too strict, there is no possibility for the growth of the project. Flexibility is vital for the sustainability of the partnership since changes are necessary to overcome setbacks.<sup>22</sup> Partners need to be able to enter and leave the partnership depending on their capacities, needs and strategies.<sup>23</sup> The success depends strongly on putting together the right competencies and recourses in the right context.<sup>24</sup>

### **Role of Civil Society, Government and Business**

Companies have to recognise the crucial role of NGOs and UN Agencies in partnerships. They strengthen the credibility of the stakeholder engagement process by facilitating communication and understanding with local stakeholders. Furthermore, NGOs provides complementary skills and expertise. They often have a broad network and more community knowledge than the company does, which can be necessary for building trust and identifying local needs and concerns. With their independent position, they have an intermediary role as facilitator and are able to link the different partners together.<sup>25</sup> Through clear communication and good cooperation, the involvement of NGOs in a partnership can lead to the maximisation of social and intellectual capital.<sup>26</sup> Economic integration, foreign direct investment and expansion of supply chains across the world provide a new and complicated combination of circumstances, which requires well thought through strategies allied to insightful leadership and organisational agility. A partnership between NGOs and business provides potential for significant impact on a scale seldom reached by NGOs alone in this dynamic setting.<sup>27</sup>

“If you want to contribute to serious development, you have to include  
business in your approach.”

(Herman uit de Bosch, project leader international markets of ICCO, Interchurch  
organisation for development cooperation)

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<sup>21</sup> Business Partners for Development, *supra* note 7.

<sup>22</sup> Greenall and Rovere, *supra* note 8.

<sup>23</sup> Business Partners for Development, *supra* note 7.

<sup>24</sup> Business Partners for Development, *supra* note 7.

<sup>25</sup> S. Singh – Sengupta, *Business Social Partnership, An International Perspective*, Aalekh Publishers, Jaipur, 2005, pp. 4-7.

<sup>26</sup> Greenall and Rovere, *supra* note 8.

<sup>27</sup> A. Fowler, Aid Architecture, *Reflection on NGDO Futures and the Emerge of Couther-Terrorism*, Occasional Papers Series No: 45, Oxford, January 2005.

The public sector is essential in order to create an environment that encourages the partnership. Local governments have to enable frameworks in which the community can develop and where companies, NGOs and UN Agencies are able to assist in this process. Contact between the government and the community is vital for sustainable development. Especially in cases where the community and government have not cooperated before, the partnership can improve the ability of governments to fulfil their political mandate and policy impact. This will not only improve their presence in the remote areas, but the government also benefit from increased ownership of policy by stakeholders.<sup>28</sup> Governments can also play a vital role in raising awareness of issues addressed by the partnership and can promote this way of cooperating to attack similar problems elsewhere in the country. Dialogue on a national and a local level can have a positive snowball effect on the development in the country. Important in this scaling-up process of replicating best practises from other areas, is that the role of the public sector is transparent and that it does not dilute existing accountability's. Besides dialogue, the government can turn the lessons learned into legislation, set up reporting guidelines and, for example, create national standards to accredit companies that get 'behind' compliance with minimum standards.

“No other societal actor has the potential to transform the way people live and work around the world today – for good and bad – more than the private sector.”

(Mary Robinson, Business Leaders Initiative on Human Rights, report 2; Work in progress, December 2004)

The exact role of the business sector in such a partnership strongly depends on how close the company likes to be involved in the process of community development. In most cases the company will mainly be funding the project and provide local people with certain business and technical skills. However, multinational companies can have lots of influence on people's lives, which creates a risk that the business sector takes over the job of the government, without having the official political and legal power that governments have. The public sector is not always able to regulate and control the global markets and transnational corporations can be more capable of acting globally in this respect and help governments to fulfil certain duties. On the other hand, governments should not give too many obligations to corporations and therefore negate their responsibility towards citizens. Corporate responsibility is no substitute for governmental responsibility. Critics of CSR, like Milton Friedman, state that the only “social responsibility of business is to increase its profits.”<sup>29</sup> In his opinion, CSR makes companies go beyond their task of wealth-generation and this contradicts the economic principle of role separation. Robert Reich goes even further and denounces CSR as a dangerous diversion that is

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<sup>28</sup> M. Warner and R. Sullivan, *Putting partnership to work*, Strategic Alliances for development between government, the private sector and civil society, Greenleaf Publishing Limited, 2004, pp. 163-164.

<sup>29</sup> Robert Reich, *In search of the good company*, The Economist, New York, 6 Sept., 2007.

undermining democracy. He believes that CSR activists are being diverted from a more realistic and important task of getting governments to solve social problems.<sup>30</sup> Politicians enjoy scoring-points by publicly shaming companies that misbehave, while failing to make real changes to the regulations that make such misbehaviour possible. If citizens and politicians were prepared to do the right thing, there would be less need to rely on CSR in the first place. However, I do think business has to combine economic business decisions with moral decisions since pressing social and environmental issues are not always addressed due to political or market failure.<sup>31</sup> Through partnerships, business can take moral responsibility in areas where governmental efforts are lacking. Even though governments remain the primary duty-bearers for the fulfilment of human rights, partnerships on development are a suitable method to fill the gap between the community and the public sector.<sup>32</sup> John Ruggie, the SRSG on human rights and business, also aims to achieve a workable balance between governments as the primary guarantor of human rights and corporations as upholders of the standards.

## 2.3 Regulated Self-Regulation

It is hard not to notice an evolution in corporate citizenship. Companies changed from pure philanthropy towards linking social and environmental aims to their core business strategies, it has become more, and more of a trend in the corporate world to support governments and the international community to rewrite global rules.<sup>33</sup> The undeniable role of the government is important in this move from business towards public policy objectives. There are different patterns of regulating the interaction between the private and the public sector, for example, interfering regulation, interventionist regulation, self-regulating and regulated self-regulation. Morten Ougaard<sup>34</sup> writes about the potential of regulated self-regulation with regard to corporate social responsibility.<sup>35</sup> This means that public authorities define the outer boundaries of acceptable behaviour as well as stipulations of acceptable codes and standards for the private sector. Within this space, state and non-state actors bargain and cooperate to set up rules and standards that are more detailed. This is called “policed decentralisation”. The partnership approach fits perfectly in this theory of regulated self-regulation and emphasises the principle of competitive citizenship, global accountability and standardisation, especially for reporting. Within this framework, governments have to promote mandatory business-standards as a precondition for further liberalisation of international trade and

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<sup>30</sup> *Ibid.*

<sup>31</sup> Mares, *supra* note 18, pp. 73-90.

<sup>32</sup> Twentyfifty, *Collaboration in context*, A report on the use of international standards in NGO-business partnerships, pp. 1-4, June 2005.

<sup>33</sup> S. Zadek, ‘*What should we really expect from big business?*’ Global Thinking, Winter 2001.

<sup>34</sup> M. Ougaard, former professor at the Centre for Corporate Values and Responsibilities at the Copenhagen Business School and currently working for the UN Global Compact.

<sup>35</sup> Ougaard, *supra* note 19, pp. 152-156.



investment.<sup>36</sup> The current pattern of loosely organised networks, voluntarism, private codes and self-regulating can continue for a longer time. However, according to Morten Ougaard, there are several reasons to believe in a move towards this regulated self-regulation. One reason is that CSR is limited in a way since private initiatives cannot do the job alone. An effective CSR approach requires cooperation with governments and NGOs and expertise in management systems, however most companies have scarce resources for this. Furthermore, a trend towards standardisation and authoritativeness is noticeable in creating efficiency gains and transparency. The combination of these factors pulls in the direction of a closer connection between the CSR approach of business and political authorities. Relying on the realities of the current global governance structures, a move towards hard law on CSR and strict harmonisation is very unlikely. However, the interaction between CSR on the one hand and law and public policy on the other demonstrates that CSR and regulation are not mutually exclusive. Law indirectly affects corporate behaviour by making an impact on social norms. CSR regulations should however be contextual and functional, because the overuse of the concept of justice in the wrong situation can stop people from practical social action.<sup>37</sup> Therefore, it is necessary to find a balance between legal and non-legal standards that mediate between law and corporate behaviour.<sup>38</sup>

## 2.4 Initiatives to include Human Rights in Business

The international human rights framework mainly focuses on states, which makes it difficult to find specific human rights legislation directed at businesses. National business legislation generally does not include human rights. However, in labour law and company law one can find aspects of human rights. In the UK and the US, international lawyers have attempted to create legal personality for companies and make them subject to international law, especially human rights law. Nevertheless, even if these standards are applicable, there is no enforcement mechanism to press businesses into compliance with human rights obligations. Until now, CSR is not easy to enforce via legal means and instead appears through the backdoor rather than through hard law. According to the BLIHR, the protection of human rights has always required a combination of voluntary and mandatory initiatives in order to achieve change and raise the minimum standard of acceptable behaviour.<sup>39</sup> I will not further elaborate on business law in general, but look at several initiatives that stimulate businesses to include human rights in their policies.

A partnership on development is one way to include human rights in business policies. The Global Reporting Initiative on the standardisation of

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<sup>36</sup> Zadek, *supra* note 33.

<sup>37</sup> A. Sen, *Development as Freedom*, Oxford University Press, 1999, pp. 253-254.

<sup>38</sup> Mares, *supra* note 18, pp. 68-70.

<sup>39</sup> Business Leaders Initiative on Human Rights, report 2: Work in progress, 2004.

sustainability reporting, the United Nations Global Compact and the World Social Summit on Development in Johannesburg in 2002 all support the partnership approach. In addition, the UNDP engages with the corporate sector in different ways. For example, they set up the Public-Private Partnerships for the Urban Environment program and developed the Growing Sustainable Business Initiative to facilitate business-led solutions to poverty in advancement of the Millennium Development Goals. Besides this, the International Labour Organisation has influenced several multi-stakeholder initiatives with the ILO Labour Standards. Its 1998 Declaration on Fundamental Principles and Rights at Work is referenced in the UN Global Compact. Furthermore, The ILO Tripartite Declaration of Principles Concerning Multinational Enterprises of 2000 and the OECD Guidelines for Multinational Enterprises constitute important normative statements and formal implementation procedures for labour standards. The first auditable standard for managing human rights in the workplace is Social Accountability International's SA 8000, a certification mechanism that provides a framework for assuring all stakeholders of a business that social accountability is being stewarded in the management of a company. Moreover, the International Organisation for Standardisation decided to develop an International Standard providing guidelines for social responsibility for organisations in the public and private sector. This ISO 26000 will be launched in 2010 and will be voluntary to use. They do not include requirements and therefore, will not be a certification standard. From the business side, a prominent example is the Business Leaders Initiative on Human Rights, a network of international companies that aim to further integrate human rights standards in business policies and practice. One other example that promotes partnerships in the context of globalisation is the resolution that the United Nations General Assembly adopted in 2004, which stresses that enhanced cooperation between the UN and all relevant partners can contribute to letting globalisation become a positive force for all.<sup>40</sup> Even though these initiatives and resolutions are voluntary and therefore not legally enforceable, they do encourage companies to take account of international human rights standards and can decrease the division and mistrust between mainstream business and human rights communities. Such initiatives raise attention on the issue and create awareness of the potential of partnerships on development.

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<sup>40</sup> United Nations General Assembly Resolution 58/129, 'Towards global partnerships', 19 February 2004.

## 3 Case study – IKEA & UNICEF

### 3.1 Preparations

IKEA and UNICEF have a partnership on the elimination of child labour in Northern India, in the carpet belt of Uttar Pradesh.<sup>41</sup> The aim of this field research is to find indicators to measure the empowerment of local communities through this partnership. This empowerment should result in sustainable community development, which contributes to the fulfilment of human rights. The focus of this research is on the right-holders (the local community) instead of the duty-bearers (governments / companies). Therefore, I will look more at indicators of results rather than at indicators of conduct. The role of the indicators is not simply a diagnosis or a description; they have to instigate implementation and action. The indicators have to show how a partnership can achieve capacity enhancement and empowerment in practice. Partnerships should enable and empower local institutions to promote and protect human rights.<sup>42</sup>

Whether the long-term development objective of the partnership is realised, can be measured by looking at the perceptions of the local population and the perceptions of the different partners regarding several aspects. I used the following perceptions and indicators as a foundation for my research in India. In the section on Empowerment, the final indicators, in order to measure the empowerment of the local community in the project villages of the partnership between IKEA and UNICEF, are formulated.

#### **Perceptions**

- The perception on education: that children have to go to school (have the right to education) and should not work.
- The perception that women are equal to men.
- The perception that the partnership is effectively contributing to the development of the local community, including the marginalised groups of the population.
- The perception that all partners are equal.
- The perception of encouraged dialogue between local stakeholders.
- The perception that the local community has meaningful participation in the partnership.

#### **Indicators of conduct (input / activities / performance)**

- Financial effort from the company.
- Non-financial effort from the company.
- Amount of local training provided by the partnership. (For example, suppliers getting management and negotiation training or teachers being trained in human rights education.)

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<sup>41</sup> 'Carpet belt'—so called because in the area India's main carpet weaving industry is based.

<sup>42</sup> E.A. Andersen and H.O Sano, *Human rights indicators at programme and project level – guidelines for defining indicators monitoring and evaluation*, The Danish Institute for Human Rights, Copenhagen 2006.

- Local stakeholders who received training abroad or gained international experience.

### **Indicators of result**

#### Indicators of operational results

- Number of schools built / the amount of children attending school.
- Number of educated local teachers.
- Number of women's self-help groups.

#### Indicators of effectiveness

- Level of literacy (percentage) growth related to the situation before the partnership.
- Growth in the percentage of children who attend school.
- Management functions achieved within the local community.
- Encouraged dialogue with local stakeholders.

#### Indicators of impact

- Awareness of human rights instruments within the local community.
- Political awareness of the impact of the partnership.
- Media-attention on the partnership. Written by local community.

#### Indicators of institution building

- Own initiatives developed due to the partnership.
- Own money earned by the community as result of the partnership.
- Establishment of local human rights NGOs or initiatives.
- Printed compilation of human rights standards available, including the relevant articles of the International Bill of Human Rights.
- An accessible and independent place or institute to address human rights violations.
- Democratic elections of local government.
- Women participated in local government.
- Whether the community can continue developing without the cash flow of the company.

## **3.2 IKEA's Codes of Conduct**

“No company will be able to shirk social responsibility. My advice to managers is that becoming a socially responsible corporation takes longer than you think and involves not a giant leap but thousands of small steps.”

(Marianne Barner, IKEA Social Initiative and Children's Ombudsman, IKEA Group, Harvard Business Review, July 2007, Vol. 85 Issue 7)

During 1994, a film on child labour in Pakistan was broadcasted in Sweden. After this, IKEA became deeply involved in the debate on child labour. Already earlier, the discussion on child labour had started in Germany,

which made consumer movements stop buying Indian carpets, as there was a big risk that they were made by children. During this time, it was difficult for multinationals to do business in the intensive labour industry. IKEA considered shifting business out of India, but this would have contradicted the IKEA vision, if they were to leave India and possibly create an even worse situation for the children.<sup>43</sup> Ending the contract with local suppliers meant that the supplier would have had fewer orders and there would have been a big risk that families would lose their income and children would often end up at the street, for example, working in prostitution. IKEA stood up and stated that they could not 100% guarantee that there was no child labour in their supply chain, as they pointed at the complexity of the root causes of child labour. However, they realised that they had to do something about it. With the help of Save the Children, IKEA formulated their child labour code of conduct, which is a part of their overall code of conduct: “The IKEA Way on Purchasing Home Furnished Products” (IWAY)<sup>44</sup>. Due to the importance and complexity of the issue, child labour has been taken up in a separate document: ‘The IKEA Way on Preventing Child labour’, which states that all action shall always be in the best interests of the child. The child labour code of conduct is based on UN Conventions, for example, the Convention on the Rights of the Child and the ILO Minimum Age<sup>45</sup> and Worst Form of Child Labour Conventions.<sup>46</sup> IKEA introduced a “best buy concept” in IWAY where the three parameters: price, quality & delivery and social & environmental responsibility are equally important.

“It was actually fortunate that there was film produced on child labour in Pakistan, this was an eye-opener that there might be child labour in our supply chain.”

(Marianne Barner, IKEA Social Initiative and Children’s Ombudsman, IKEA Group)

A code of conduct is an instrument to ensure the enforcement of minimum social standards, within the area of influence of a company. These standards include the core labour standards, such as living wage, reasonable working hours, the abolition of child labour, forced labour, the elimination of discrimination and freedom of association.<sup>47</sup> After formulating the business principles, the social standards have to become part of the corporate culture. During the implementation phase, however, most problems and issues emerge. Partnerships are a transparent approach to introduce codes of conduct in an efficient way with the participation of all concerned.<sup>48</sup> There are several arguments that demonstrate that a code of conduct is also in the best interest of the company. First, certifying adherence to social conditions creates a competitive advantage and an opportunity for market niches.

<sup>43</sup> “A better every day life for the many.”

<sup>44</sup> IWAY is ‘The IKEA Way on Purchasing Home Furnishing Products’, IKEA Code of Conduct, 2002.

<sup>45</sup> ILO Convention C138, Minimum Age Convention, 1973.

<sup>46</sup> ILO Convention C182, Worst Form of Child Labour Convention, 1999.

<sup>47</sup> The ILO Declaration on Fundamental Principles and Rights at Work, Geneva, June 1998.

<sup>48</sup> Secretariat of the Roundtable on Codes of Conduct, *Codes of Conduct on Social Standards*, Deutsche Gesellschaft für Technische Zusammenarbeit, July 2004.

Second, consumers react positively and when prices and quality are comparable, they prefer products from companies that do not use child labour and not tolerate human rights abuses. A positive image can boost a company's market value, whereas negative rumours create consumer complaints. Third, skilled and dedicated employees stay with the firm, which increases potential for innovation. Fourth, multi-level global division of labour is making firms more dependent on suppliers and compliance with social standards can enhance productivity and reliability among suppliers, cutting down times for delivery. Fifth, in addition to economic efficiency, environmental and social conditions are meaningful considerations for public-sector clients. Finally, banks start to use social standards as quality criteria for providing loans.<sup>49</sup> All above-mentioned arguments emphasises the business case for a company to implement a code of conduct.

IKEA introduced the IWAY, which includes a separate Child Labour Code of Conduct, all over the world in 2000. This code of conduct is not just pieces of paper. It is a demand to cooperate with IKEA and they feel responsible for the implementation of this code of conduct. Regarding the Child Labour Code of Conduct, IKEA has one so called 'Children's Ombudsman' in South Asia who is responsible to make sure that all actions are taken in the best interests of the child.<sup>50</sup> The business teams are responsible for the effective implementation of this specific code of conduct and the child labour monitoring. Besides this, IKEA goes beyond the factory. Through social projects, IKEA tries to protect children's rights in South Asia and aims to prevent child labour from happening.<sup>51</sup>

IKEA expects compliance with the code of conduct from all their suppliers and sub-contractors. There are five demands that are a must for the whole supply chain: no child labour, no forced labour, no bonded labour, no discrimination and freedom of association. Especially regarding child labour there is no negotiation possible; IKEA has a zero-tolerance policy regarding this sensitive issue.<sup>52</sup> The code of conduct is part of IKEA's business and everybody involved in IKEA's business is aware of the demands regarding human rights issues. All co-workers and suppliers get a presentation and several interactive sessions on the interpretation of the code of conduct in order to understand the demands, to speak the same language regarding the IKEA policies and to learn how to respond independently on violations of the code of conduct.

“An important step is that all involved stakeholders understand and share the same picture of the situation. We must share the same view.”  
(Anders Dahlvig, president and CEO of the IKEA Group)

At first, IKEA presented their code of conduct only to suppliers in a meeting in Delhi, and IKEA expected that their suppliers would disseminate this information to their workers and co-workers. After a while, IKEA realised

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<sup>49</sup> *Ibid.*

<sup>50</sup> <http://www.ikea-group.ikea.com/?ID=708>, visited on 14 December 2007.

<sup>51</sup> 'South Asia' in this context means Pakistan, Sri Lanka, India and Bangladesh.

<sup>52</sup> The IKEA Position on Child Labour, IKEA Services AB, December 2007.

this was not enough to let suppliers implement the code of conduct properly. Due to unclear demands and misunderstandings, the suppliers did not communicate the information back to their factories. For the effective elimination of child labour, the whole community should understand the movement against child labour and disseminate this information. Without the awareness of the workers on human rights issues, it is difficult for a supplier to implement and enforce the code of conduct. Therefore, IKEA decided to provide training in the field and work with an onus on community ownership. Not just management teams were involved, but also all weavers, guards and family members could join the interactive sessions. From a human rights perspective, it is especially important that weavers and other people working in the factories know their rights. For example, guards decide who enter the factory and have to be aware of the child rights policy.<sup>53</sup>

To avoid the risk that only the production for IKEA is child labour free and other parts of the production within the factories do not comply with the requirements, IKEA states clearly in their code of conduct that the whole factory has to comply with the demands. Again, this means all workers, and not only the suppliers, have to be aware of these demands and understand the reason for this requirements. This change of mindset is not possible in a one-way session with the suppliers, but requires interactive sessions in the communities.

In these interactive sessions, two people from IKEA Delhi go to the villages and discuss the demands of the code of conduct. In the training, they try to be one of them by creating an open atmosphere, make jokes and let them feel confident and equally important. In the opinion of Vandana Verma, IKEA Social Initiative and Children's Ombudsman of IKEA South Asia, it is important that they are all Indian and that not somebody from, for example, IKEA in Sweden comes to the factories to talk about the code of conduct. Everybody attending the interactive sessions should feel relaxed and feel they can give their opinion without any consequences.

“Now, suppliers are much more honest and do not hide their problems under the carpets anymore.”

(Vandana Verma, IKEA Social Initiative and Children's Ombudsman, IKEA South Asia)

The two people from IKEA explain who they are, what they do and why business is doing not so well due to the issue of child labour. Suppliers and workers should not feel that it is an offensive by IKEA, but instead a two-sided discussion between the parties, as IKEA knows child labour is not a black and white issue, but that there exist many grey zones. Therefore, it is important to listen to the problems of the workers, show understanding and not to argue too much. A presentation on the code of conduct will demonstrate the necessary changes suppliers have to make to continue working for IKEA. However, IKEA does not present it as a demand from

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<sup>53</sup> Vandana Verma, IKEA Social Initiative and Children's Ombudsman, IKEA South Asia.

the beginning. The people from IKEA Delhi challenge the suppliers to problematise and ask them what difficulties they expect with the implementation of the code of conduct.<sup>54</sup> Regarding child labour there is the well-known problem that there is often no alternative for the children, because there is no education available or because the family depends on the income of the child. After having heard the local problems regarding compliance with the demands, IKEA will demonstrate alternative solutions through their social projects. This is the strength of the partnership where work and project come together. IKEA introduces the code of conduct, but besides the legal part and the training of suppliers and weavers, UNICEF helps with further implementation through the social projects.<sup>55</sup>

IKEA and the supplier look together how they can fulfil the requirements of the code of conduct in the best interests of the child. After this, the suppliers have to make and disseminate their business plan and make sure this includes the demands of the code of conduct. The supplier also has to take responsibility for the implementation of the policy by sub-contractors and therefore has to take appropriate measures and effectively communicate the child labour policy. If the suppliers fail to do so, they will lose orders. Besides this, suppliers have to provide a list of all production facilities, to verify that the production matches with the capacity, and allow random checks in their factories.<sup>56</sup> Once both sides have agreed upon the policy of IKEA, it is mandatory and there are no acceptable excuses to violate the code of conduct. Suppliers have to sign a legally binding Purchase Agreement (PUA), which means IKEA will shift their business if they fail to comply. The PUA emphasises the liability of suppliers and sub-contractors towards child labour and make them realise that the strict policies are an additional value for the development of the community.

“It is nice that IKEA gives us the chance to change”  
(Carpet supplier Bhadohi, U.P.)

### **Carpet supplier**

When IKEA introduced their code of conduct, all suppliers received guidance in the implementation of these demands and training for weavers and management teams was available.<sup>57</sup> IKEA discusses the new business plans with their suppliers, works on quality improvement and does inspections. After seven years, there is a huge change that is noticeable. One important change to enhance the working conditions for the weavers is that IKEA pressured factories to consolidate. Suppliers can better control the quality and the working conditions and offer a more efficient working environment if the manufacturing takes place in one factory.<sup>58</sup> Before, many weavers had to travel far to the factories. They lived separately from their families and had irregular salaries, depending on orders they would get.

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<sup>54</sup> Verma, *supra* note 53.

<sup>55</sup> Marianne Barner, IKEA Social Initiative and Children Ombudsman, IKEA Group.

<sup>56</sup> The IKEA Position on Child Labour, IKEA Services AB, December 2007.

<sup>57</sup> Carpet supplier, Bhadohi, Uttar Pradesh.

<sup>58</sup> Barner, *supra* note 55.



Besides this, some weavers worked at home, where the working conditions are not as good as in the new pit looms. Now, the weavers and other workers in the factory receive a regular salary, have less travel expenses and can live together with their families again. The suppliers notice that their employees work better and seem to be happier with their work. Before, many workers left after a couple of months because they were constantly searching for more orders and more money. Now, workers are more satisfied and stay working for the same supplier. The improvements in the factories and the skilled employees make it possible to make more profit and work in a more cost-efficient manner. The owners of the factory admit that change is not always easy, but have seen the positive results and are aware they have to continue to improve in order to fulfil future requirements.

“I am satisfied with this job. My income is the same as before, but now I receive money more frequently because I have a regular salary. Besides this, the facilities here are much better and I am happy that I can live with my family again. I enjoy my work more because I work with people from around this village and we all speak the same language.” Perception on education: “All my children, boys and girls, attend school. I hope they become something big, like doctors for example. But this is up to God.”

(Worker in pit loom, Ramawadh, 42 years old)



“I prefer to work here; the facilities and profits are better and I live in a better house now.” Perception on education: “Yes, all children from six years and older should go to school. It is important to educate them and hopefully my sons can go to university.”

(Worker in pit loom, Vinod, 30 years old)

### 3.3 IKEA Social Initiative

The heavy demands in the code of conduct are not enough to combat child labour in Northern India. Therefore, IKEA started to put money in social projects in 2000. IKEA and UNICEF both wanted to focus on the prevention of child labour rather than rehabilitation and were convinced that child labour is best tackled by addressing the root causes.<sup>59</sup> The complexity of the child labour problem requires input and influence from many different parties and it requires consistency in the long-term efforts to achieve broad-based and lasting development.<sup>60</sup> This is how the partnership between IKEA and UNICEF started. The emphasis of UNICEF was on the recognition of children's rights, primarily the right to education and protection from exploitation and abuse. IKEA's policy also focuses on children's rights and this rights-based approach (RBA) can have an important impact on the development of local communities.<sup>61</sup>

“IKEA is helping people to help themselves, there are no compromises regarding this.”

(Marianne Barner, IKEA Social Initiative and Children's Ombudsman, IKEA Group)

IKEA's projects are neither charity nor philanthropy because of their clear link to business. Their social projects are community-owned, which means that the community has to control the project instead of the company. In 2005, IKEA Social Initiative was created to broaden and to increase the investments in social projects to fight for children's rights and empower women.<sup>62</sup> To have a concrete impact, the activities of IKEA Social Initiative are focused and concentrated in well-defined areas. Therefore, projects are only based in communities where IKEA is doing business. Furthermore, IKEA's social projects are practical, based on local needs and focus on capacity building. By giving knowledge instead of money, IKEA wants to make a structural impact. IKEA uses this strict principle of 'self-help and capacity building', which contributes to long-term community development. They make the project financially possible by funding the training and education of the local people and providing material if necessary. It is remarkable that nobody in the project villages asks for money or even a pen. In contrast to the beggars in the cities, local people know that none of the partners will just give them something for free and they realise that begging will not help them in their development.

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<sup>59</sup> UN Global Compact, *Joining forces for change: demonstrating innovation and impact through UN-business partnerships*, July 2007, p.11,  
<http://www.globalcompactsummit.org/docs/UNGC07-JoiningForcesForChange.pdf>

<sup>60</sup> The IKEA Child Labour Position on Child Labour, IKEA Services AB, December 2007.

<sup>61</sup> See Section 4.1.5 on the Rights-Based Approach.

<sup>62</sup> The IKEA Position on Child Labour, IKEA Services, December 2007.

“Just checking that no children are involved in the production of IKEA carpets is not enough in the battle against child labour. We want to make a constructive contribution to Indian society. We want to initiate a change in mentality and teach people that they can survive without forcing children to work. This will not only combat existing child labour. More importantly, we will be removing the cause of it.”  
(Marianne Barner, IKEA Social Initiative and Children’s Ombudsman, IKEA Group)

The Convention on the Rights of the Child is the basis of IKEA’s social initiatives.<sup>63</sup> Besides this, they use the UN Millennium Development Goals (2015) to form their policies. IKEA Social Initiative develops a structure to transfer ad-hoc social projects into long-term commitments. They aim to expand their existing projects and increase the investment. It is difficult to have a concrete impact on community development on a short-term basis. Once a project is running, it is important to look for opportunities to make the project more sustainable.

“To make better and more sustainable contributions on development, IKEA needs a strategy on their social initiatives.”  
(Lotta Malfrere, IKEA Social Initiative)

IKEA started their social projects in Uttar Pradesh, one of the most poor and illiterate region of India. Lessons learned from this challenging project form the basis for the future strategies of IKEA Social Initiative.<sup>64</sup> The partnership between IKEA and UNICEF has existed for almost ten years. They have different roles in the partnership, but both use their expertise to aim in the same direction, namely the contribution to the fulfilment of children’s rights. Due to the important role of women in the development process of communities in India, IKEA focuses their social projects not solely on children’s rights, but also on women’s rights.

“Because we look at things differently, we can learn from each other and contribute to each other.”  
(Lotta Malfrere, IKEA Social Initiative)

The advantage gained by IKEA from working with UNICEF is the close link that UNICEF has with the local community and their expertise in social projects.<sup>65</sup> Therefore, UNICEF is, for example, providing training to the local community. IKEA is mainly focusing on cost-efficiency. There are different options and challenges to do business in a cost efficient manner and IKEA tries to optimise this through the partnership. However, IKEA tries to balance theory, reports and personal experience and also wants to stay close to the project. Therefore, they created the Children’s Ombudsman

<sup>63</sup> <http://www.ikea-group.ikea.com/?ID=708>, visited on 14 December 2007.

<sup>64</sup> Lotta Malfrere, IKEA Social Initiative.

<sup>65</sup> Barner, *supra* note 55.

for Southern Asia, who works in Delhi and regularly visits the project area. At the moment, IKEA is building a new partnership in India with Save the Children. There have been several ad-hoc projects between IKEA and Save the Children, but now they aim to engage in a long-term commitment with a common strategy.

“Not only strategy is important, we must know what is happening in the field.” (Lotta Malfrere, IKEA Social Initiative)

What does CSR exactly mean for IKEA? According to Lotta Malfrere from IKEA Social Initiative, the issue of CSR is complex and it is difficult to define borders and decide what to focus on. A lot of discussion is necessary to see how you are involved as a company and what to do in each individual situation.

“Of course it is not easy to link our CSR performance directly to financial performance, but we believe that our efforts have a positive impact on the numbers. Since we are not a public company, I feel that the link between financials and CSR performance is less of an issue for us.”  
(Marianne Barner, IKEA Social Initiative and Children’s Ombudsman, IKEA Group, Harvard Business Review, July 2007, Vol. 85 Issue 7)

Before looking further into the partnership, it is important to keep in mind that IKEA is not a public company. They are not on the stock market, which makes it easier to invest money in social projects. Marianne Barner thinks that it is an advantage not being a public company. Without external pressure from shareholders, IKEA is able to make more long-term investments and be consistent in their way of doing business.

## 3.4 Research in India

The two main features in the partnership between IKEA and UNICEF are the women's self-help groups (WSHGs) and the alternative learning centres (ALCs). During my research in India, I had the opportunity to get first hand information from IKEA, UNICEF, local people, the project management unit of the partnership (PMU) and the auditors of the partnership. In several villages, I attended ALCs, meetings with WSHGs and could take personal interviews. After a description of certain features of the partnership, the thesis will continue with conclusions from the field research.

### 3.4.1 Partnership approach IKEA-UNICEF

Once IKEA decided they wanted to set up social projects in the carpet belt in U.P., it was the task of UNICEF to choose the project villages in the area where IKEA carpets are made. For the selection of these villages, UNICEF uses several criteria, and they look, for example, at the illiteracy level, at the number of people from the lowest caste and at the number of children between four and sixteen years old who do not attend school yet.<sup>66</sup>

Even though UNICEF worked together with local NGOs, many women did not trust the project in the beginning and did not believe engagement in the WSHGs would actually help them, but only make them more dependent. UNICEF realised it would take several steps before getting in touch with the people in the villages and therefore, they created a Project Management Unit (PMU). These are people from the specific districts and therefore they already have closer ties to the local people. It is the task of the PMU to find and select people from the villages to help implementing the project. The PMU go into the villages and get in contact with women who might be interested in being a motivator or instructor of the project. A motivator is the person who will drive the women's self-help groups and an instructor teaches at the alternative learning centres. After having received training from UNICEF, the motivators and the instructors go back to the villages, explain the idea of the project, and try to convince other women to unite and form a women's self-help group. People from the villages itself are the most appropriate people to introduce a project and be the link between the community and the NGO, UN Agency, company and, for example, the government. Through motivators and instructors, the partnership reaches the villages and finally, the local people will set up local initiatives themselves.<sup>67</sup> It takes time to build a network of trust and raise awareness of the possibilities a partnership offers to local communities. UN agencies and NGOs have to be aware that they have to create strong personal relations on several other levels in society before they can execute social projects on community level.

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<sup>66</sup> Deep Narain Prasad, Project Officer child rights project, Project Management Unit.



### 3.4.2 Women's Self-Help Groups



Women's self-help groups are set up to empower and educate women in order to contribute to the elimination of child labour.<sup>68</sup> The women learn how to save money and create their own funds by putting aside small amounts of money. Together, they save money and gather this money in one common bank account. Through an inter-lending system, they enable women who need money for a specific reason (like education, marriage, medicine, agricultural tools) to get a loan from this account and pay the money back later. The women themselves discuss the urgency of the matter and decide who can take money out of the common account. Due to this inter-lending system, women do not have to seek help from unscrupulous moneylenders anymore for medical emergencies or other pressing family needs. This can help to break down the vicious cycle of debt that forces parents to put their children to work. Furthermore, by having their own bank accounts, these women are less dependent on their husbands, which give them the capacity to make their own decisions. This is an important step forward in the fulfilment of their rights and can contribute to combat social exclusion of women. In the end, these groups of women can drive change and development in their community.

“If we can initiate a change in mentality amongst the women, this will be automatically passed on to the children.”  
(Jeroo Master, former Project Officer UNICEF Lucknow, Uttar Pradesh.)

<sup>68</sup> Un Global Compact, *supra* note 59.

After the WSHG enables local women to save their own money, the PMU can explain the economic value of money and demonstrate that rotation of money can lead to new development and growth. For this reason, the PMU stimulates investment and brings several WSHGs together. With around 29 groups, they form a cluster and meet once a month at the bank to share their experiences. Through communication between the different groups, the women feel stronger and believe they can achieve things collectively.<sup>69</sup>

By using thrift-and-credit as a means to mobilise poor women and to get them out of the clutches of moneylenders, they have gradually been motivated to take up the responsibility of social development in their villages.<sup>70</sup> The process of group formation indirectly contributes to the fulfilment of children's rights. This is demonstrated by the adoption of 'The 12-point Child-friendly Village Agenda'. These points promote wider and sustained action on behalf of children and their rights. The agenda includes, for example, the registration of all births<sup>71</sup> and deaths, full immunisation of all infants and pregnant women, consumption of iron and folic acid tablets during pregnancy, school enrolment and completion by all 6-14 year old children, no girls can marry before the age of 18 years and more measures regarding education, health and nutrition, non-discrimination<sup>72</sup>, gender and environmental sanitation. Within all WSHGs, the women work on these agenda points to stimulate social development in the villages.

“Dreaming is possible now.” (WSHG)

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<sup>69</sup> Prasad, *supra* note 66.

<sup>70</sup> UN Global Compact, *supra* note 59.

<sup>71</sup> UN Convention on the Rights of the Child, 1989, Article 7.

<sup>72</sup> Universal Declaration of Human Rights, 1948, Article 2 and UN Convention on the Rights of the Child, 1989, Article 28, 29, 24 and 2.

### 3.4.3 Alternative Learning Centres



The objective of the project is to fill the gap between the community and the government by setting up alternative learning centres (ALCs) in places where public funded schools are lacking. The ALCs are established as a transitional measure to formal mainstream primary schooling and have to stimulate local governments to establish more schools and provide more teachers.<sup>73</sup> Since the partnership does not just give money or materials, they will not simply build a school, but only provide knowledge through training and fund the salary of the instructors and motivators. Skilled teachers are an essential factor in providing quality education. UNICEF introduced the joyful learning method at the ALCs, which means that the children are learning by doing. Instead of just the repetition of what the instructor is saying, the focus is on interaction and singing, dancing, painting and playing games are major features in the ALCs. It stimulates children to attend school and finish their education. In the end, ALCs have to merge with public funded schools through a School Support Programme (SSP). The well-educated teachers of the ALCs can contribute to a better quality of education and train other teachers at the public funded schools the joyful learning method. IKEA and UNICEF expected from the beginning that the ALCs and WSHGs would have a spin-off effect on neighbouring villages. The local government of Uttar Pradesh, involved in the project, assumed responsibility for that spin-off. The first step in this process is that the government made the SSP part of their formal policies in order to improve the quality of education.

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<sup>73</sup> UN Global Compact, *supra* note 59.



“I was very sceptical in the beginning. As a social scientist, I did not believe in the ‘social dimension’ of business. However, the first visit to the project villages of IKEA, motivated me to work in this field. I was impressed that the children at the ALCs knew so much, were keen to be there and that the teachers were well-educated. This was the turning-point for me”.

(Dipankar Gupta, professor in Social Sciences and advisor to IKEA)

### 3.4.4 Auditing

IKEA co-workers visit all suppliers on a regular basis and conduct audits within the framework for the code of conduct. In addition, IKEA assigned KPMG as a third party auditing company to conduct unannounced checks at suppliers and sub-contractors.<sup>74</sup> Their main task is to check whether there is no child labour at the suppliers of IKEA. The auditing that KPMG carries out goes beyond doctrine auditing, which means that their auditing goes further than checking the minimum requirements. KPMG makes a difference by bringing in the social dimension, which is much richer than just inside the factory. They assess the broader picture and try to get social knowledge and a sense of what is happening in the project villages by looking at the complete workers framework. The auditors search for background issues in the community, which include for example social, health and educational issues. The goal for KPMG is to assess to what extent ethical practices should be ensured in the corporate world.<sup>75</sup>

Due to the long history of cooperation between IKEA and KPMG, there is a relationship of trust between them. This makes it possible for KPMG to ask critical questions and give very critical advice and recommendations on IKEA’s way of doing business. With the so-called ‘red flag’ reports, they help IKEA to improve and extend their social impact in Northern India.<sup>76</sup>

To check whether suppliers comply with the code of conduct, KPMG carries out unexpected visits to the villages. This is not an easy task. To keep the surprise element in the visits, the auditing teams usually do not fly to Varanasi, because people at this main airport of U.P. will already recognise the auditors and warn the suppliers. However, the villages are not isolated units and people from outside frequently visit the villages. To avoid recognition, the auditors have to be careful and to adjust to local circumstances. The teams come by jeep, enter the area from several directions, park outside the villages and walk for the last few hours. The auditors have to disguise themselves and they wear no suits, carry no business bags, have not shaved for several days and look like local people. Furthermore, the people in the auditing teams keep on changing and one

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<sup>74</sup> The IKEA Position on Child Labour, IKEA Services AB, December 2007.

<sup>75</sup> Dipankar Gupta, professor in social sciences and advisor to IKEA.

<sup>76</sup> Verma, *supra* note 53.

team only visits two out of the five suppliers in one district, to minimise the risk of being recognised as auditors.<sup>77</sup>

IKEA's Child Rights Framework is based on the best interests of the child and not on the best interests of suppliers or IKEA, especially in the case of a violation of the code of conduct. In the past, auditors have not always been responded properly to protect the rights of the child in the case that they discovered child labour. For example, shouting between auditors and suppliers has scared children and as a result, damages the mental growth of a child.<sup>78</sup>

Therefore, IKEA developed a procedure for the handling and follow up of Child Labour Violations. In case child labour is found or suspected in the suppliers or sub-contractors production area, certain steps must be followed. It is essential to respond in accordance with cultural habits and to maintain the dignity of the child. (CRC) After collecting the facts about the suspected violation and the document finding, the relevant parties within IKEA will be informed. In a follow up meeting to determine the violation, the supplier will be confronted with the information and gets a fair chance to explain his version of the reported violation. In the case that child labour is confirmed, the supplier will be put on probation. This means they will not receive new orders and are not allowed to develop new products. The supplier has to write an action plan with corrective and preventive measures. IKEA has to approve this plan and will monitor the progress and make spot checks. If all corrective and preventive actions have been taken and the spot checks find positive results, regular business with the supplier can continue. However, there is no second chance if the violation is repeated, the consequence will be termination of business with that particular supplier. Until now, this never happened and suppliers seem to be stronger and have better policies than before the probation period. They learnt it the hard way, but now know that IKEA is open to negotiate problems and help them. Therefore, suppliers will contact IKEA if they face implementation problems, instead of silently violating the code of conduct. This mutual trust has resulted in several success stories of satisfied suppliers and happy children attending school.<sup>79</sup>

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<sup>77</sup> Gupta, *supra* note 75.

<sup>78</sup> Verma, *supra* note 53.

<sup>79</sup> Verma, *supra* note 53.

# 4 Interpretation of results

## 4.1 Child Labour

According to the CRC, which India ratified in 1992, the term ‘child’ applies to all persons under the age of 18.<sup>80</sup> Regarding the Indian legal definition, a child labourer is the one who is below 14 years of age, out of school and whose main occupation is work.<sup>81</sup> Furthermore, all work which by its nature or the circumstances in which it is carried out, is likely to be harmful for the child’s health or physical, mental, spiritual, moral or social development, is considered as child labour.<sup>82</sup>

A child is allowed to help their parents within the house, but as soon as the child works outside the area of the family, it is regarded as child labour. Children between the age of 15 and 18 years old are ‘young workers’ and are allowed to work under certain circumstances. They may not, for example, be employed in hazardous industries and the work may not harm the health, safety and morals of the child. IKEA actively supports the legal employment of young workers and therefore regulates conditions for them to work within the best interest of the child. Suppliers will be monitored to check that the young workers are hired in a legal manner. This means, for example, that they need medical fitness certificates and proof of age records, earn at least the minimum wages and that the young workers have reasonable working hours.

Child labour is an issue of remedial education and therefore requires a moral change on local and national level.<sup>83</sup> The main reasons for child labour in India are poverty, economic drawbacks and illiteracy. The development of suppliers and the social projects are necessary to work on these root causes of child labour and gradually change attitudes towards child labour. An increase in education and economic status result in less child labour. However, internal compliance assessment and external third party monitoring of the factories are still necessary in order to combat child labour.<sup>84</sup>

“Social attitudes to child labour are changing,”

(Sudha Murali, project leader UNICEF, quote from IKEA ReadMe, 2nd edition 2007)

<sup>80</sup> UN Convention on the Rights of the Child, 1989, Article 1.

<sup>81</sup> The Child Labour (Prohibition and Regulation) Act, 1986.

<sup>82</sup> UN Convention on the Rights of the Child, 1989, Article 32.

<sup>83</sup> The Danish Institute for Human Rights, *Human Rights Compliance Assessment*, 2004.

<sup>84</sup> Verma, *supra* note 53.

## 4.2 Partnership approach

The three main reasons for rural poverty are high debts because of loans with moneylenders, a lack of organisation of people and a lack of employment. In contradiction with most government strategies on poverty reduction, a partnership supports local people to implement their own community development plans. The structure of government poverty eradication projects is decided at a national level, often without consulting local communities. In the partnership between IKEA and UNICEF, the local people, mainly women, in cooperation with the PMU make the development plans and strategy. They have to execute the project and are able to make realistic plans, due to their knowledge of local needs. Government programmes usually provide schools and financial programmes with banks, which do not contribute to the independence of these communities. Partnerships, however, focus on capacity enhancement. The partners raise awareness, motivate local people, unite them and teach them how to solve problems in order to enable local communities to reduce rural poverty themselves. Providing them with skills and knowledge can lead to more effective and sustainable community development than simple financial support programmes.

A partnership has to consist of the right mix of partners. To achieve the objectives of the partnership, the necessary institutional mandates and delivery mechanisms have to be available. Depending on the objectives of the partnership, the partners can be site and locality-specific or national and international specific.<sup>85</sup> Involvement of individuals and organisations from different levels can bring critical experience and financial advantage into the partnership. International business and public sector involvement can enhance the quality of the partnership if they build trust and establish shared values and goals with local stakeholders. Trustworthiness in early stage of the negotiations creates the ability to associate with each other, which is essential for honest communication and provides the company with a 'social license' to operate in the area.<sup>86</sup> This social license can be a formal permit from the local stakeholders to operate or an informal acceptance of the local community. In the end, trust will improve the quality of decision-making, which indirectly also creates marketing and competitive advantages. This allows the company to operate effectively without negative interference by local stakeholders.<sup>87</sup>

For IKEA it feels like it is part of their core business to cooperate with UNICEF. The relationship is built on trust and is very transparent and open.<sup>88</sup> Trust is not only essential between IKEA and UNICEF, but between all the partners. Between local partners who have to work together to develop their community and between IKEA Sweden and IKEA Delhi trust is essential for the development of the social projects. Due

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<sup>85</sup> Business Partners for Development, *supra* note 7.

<sup>86</sup> C. Higgins and L. Lee, 'Making a difference: The Importance of Trust to Triple Bottom Line Reporting and Partnership' in S. Singh – Sengupta (ed), *Business-Social Partnership, An International Perspective*, Aalekh Publishers, Jaipur, 2005, pp. 208-214.

<sup>87</sup> Greenall and Rovere, *supra* note 8.

<sup>88</sup> Malfrere, *supra* note 64.

to different perceptions, there can be arguments on the progress and future steps in the partnership. However, because IKEA Delhi is closer to the actual execution of the social projects and therefore have a more realistic view of the progress and community development, IKEA Sweden delegates many decision-making powers to IKEA Delhi. Through weekly telephone conferences, they have stimulating discussions and reinforce each other's strengths.

"Together we can make a difference."  
(Vandana Verma, IKEA Children's Ombudsman Southern Asia)

Besides the right combination of partners, all partners have to be considered as equal. Even though every partner has different tasks and responsibilities, all experiences are valid, and they have to realise the importance of the combination of different actors in one partnership and incorporate the different time schedules to work with each other's results. It is a pooling of skills and expertise from different partners and an opportunity to learn competencies from another sector. To establish equality of partners, it is essential to have informal interaction, break down the perception of power by considering the community as a partner of the project and engage with stakeholders in their own communities.

The partnership model faces several challenges. After consultation on the specific situation, it might appear that a partnership is not the best approach to tackle a particular problem. The potential costs and risks should not outweigh the anticipated benefits. In the end, the partnership has to create benefits for all of the partners, which undeniably means that partners have to be willing to make compromises. However, there remains the risk that partners fail to make an open commitment about who they will work with and why. NGOs recognise it as a clear risk to their reputation to partner with certain private sector companies.<sup>89</sup> Even though NGOs have the advantage of broad public trust, towards companies, NGOs also need to become more transparent in what they exactly do and can be held accountable for.<sup>90</sup> Besides limited transparent policies, risks like financial weakness, short-term pressure and the abuse of power, which may lead to unsustainable development, have to be considered before engaging in a partnership.<sup>91</sup>

Furthermore, the approach of NGOs in a partnership is not always as corporate as businesses wishes. NGOs usually depend on funds and only know their budget for the coming one or two years and therefore are not used to making long-term plans. This can create struggles in planning, if one partner wants to expand further than the other partner does. In the partnership between IKEA and UNICEF, IKEA has taken the initiative and made a plan until 2015. In order to speed up and expand the project, IKEA provide salary for personnel in India to enlarge the capacity of UNICEF, which is necessary for the growth of the project.

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<sup>89</sup> Twentyfifty, *supra* note 32, p. 5.

<sup>90</sup> Chris Marsden, chair Amnesty International UK Business Group, Business Leaders Initiative on Human Rights, Report 2; Work in Progress, 2004.

<sup>91</sup> Business Partners for Development, *supra* note 7.

## 4.3 Meaningful participation

Empowerment follows from meaningful participation. Therefore, the issue of participation in a partnership on development, which includes communication, will be discussed first, before looking into aspects of empowerment. Meaningful participation of all partners will enhance the possibilities to continue the project even if one partner leaves the partnership.<sup>92</sup> Companies have to realise that local communities need sufficient knowledge and capacity to take advantages of the direct and indirect benefits of development. Local stakeholders have to be able to apply the benefits in a sustainable fashion, beyond the involvement of the company. Therefore, meaningful participation is necessary to teach local partners how to negotiate and formulate their own values and will.<sup>93</sup> On the other hand, meaningful participation is essential for the business partner to understand the local context and become aware of the risks involved in their business operations. IKEA expressed that they learn a lot during negotiation and talks with the local partners, regarding social issues, but also regarding their business approach.

“Participation is the power to act by a set of people affected by a problem who have created ownership of a problem and manage their own institutions.”

(Sam Joseph, Development Advisor)

Meaningful participation is more than solely being involved in a partnership. Local people should have a voice, an opportunity to express their preferences and be involved in the planning of their own development. This encourages them to perform and avoids the risk that local communities start to rely on the services of the partners instead of becoming independent. It is important to keep in mind that the company is there to challenge and support them, but that the local partners themselves have to execute the project. The partnership is not a gift, but a stimulation to make development possible. Partners have to enable local communities to reflect their development, assign priorities and set up community-led planning. By stimulating problem-solving thinking, they can demand from local people that they take responsibility and function as proactive citizens, for example, by let them build their own institutions. A partnership has to enable strengthening of institutional systems and build social capital, which makes local people self-sustained. It is a challenge to move local people from empathy to hope and to create successful experience of solving some local problem through collective action of their own design.<sup>94</sup> Meaningful participation indirectly contributes to the effectiveness of a democracy, because increased problem-solving capabilities enable citizens to take part in their own governance.

<sup>92</sup> Greenall and Rovere, *supra* note 8.

<sup>93</sup> Business Partners for Development, *supra* note 7.

<sup>94</sup> Sam Joseph, Development Advisor, EqualinRights Seminar, *Making Rights real; strategies and tools for realising human rights-based development*, Utrecht, October 2007.

“Making local communities viable”  
(Mahatma Ghandi)

To create meaningful participation, all partners need proper communication skills. Therefore, to learn how to communicate is one of the first steps in the process of empowerment. Communication gaps between several partners in a partnership can lead to misunderstanding and mistrust. It is vital for the company to have access to local information and vital for the community to receive information from the company to achieve trust and to create realistic expectations. Effective communication between all partners is essential for monitoring the progress and stimulating each other to take further steps. Consultation, dialogue, willingness to renegotiate, mobile contact and good reporting and management systems are important aspects of communication in a partnership on development.

Site visits and intensive consultation with local stakeholders is one of the main success factors in a partnership. Consultation is necessary to identify key local stakeholders and to decide how to invest in a particular district. Without early consultation, companies often misjudge the needs of the community and it is far more difficult to repair a bad reputation than to start consulting and engaging from the start.<sup>95</sup> In the case of U.P., IKEA learned a lot about the area from UNICEF. However, IKEA has deep knowledge on how things work in the area, because they have been operating in the carpet belt for such a long time. This makes IKEA a strong partner for UNICEF. Instead of just providing money to UNICEF, IKEA can deliver input into the project. It is rather unique that a company can be such a demanding partner in these social projects. In the future, IKEA will additionally use academic support for autonomous research. The Jawaharlal Nehru University (JNU) is currently doing this for IKEA in the cotton growing industry in India and Pakistan, since IKEA is planning to start social projects there.

According to the PMU, understanding social economic structures is essential for creating community mobilisation. One should know the hierarchy within communities to be able to reach appropriate local partners. However, it can be difficult to understand local circumstances and perceptions. Cultural aspects, like respect and importance of family life and weddings can create misunderstanding when the partners have different cultural backgrounds. One way to limit these misunderstandings is to go abroad and to get familiar with the context of the other partners.

“Perceptions are always true” (Prasadji – PMU)

Another aspect of communication that can help to avoid misunderstanding is dialogue, and especially face-to-face communication. Mutual agreement on how the energy and resources will be spent to achieve project goals is

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<sup>95</sup> Corporate Engagement Project, *Stakeholder Negotiation and Consultation*, Issue Paper, November 2004.

vital for the success of a partnership.<sup>96</sup> There has to be a clear policy that negative developments and results will not be punished and that all partners have to feel confident to report honest information. Dialogue offers a framework for partners to face problems and to find solutions together. A partnership has to grow and change over time and therefore has to be flexible in order to survive. The evolution of organisational engagement can go beyond the partnership's direct formal participants. The success of a partnership often depends on this evolution and creation of wider relationships. Therefore, there has to be a willingness to renegotiate.<sup>97</sup> Partners have to be able to enter and leave the partnership depending on their capacities, needs and strategies.

Mobile technology also influences the communication process between partners. Through mobile contact, it is easy to keep track of local developments and regular contact makes it possible to respond quickly when issues arise, before they escalate into huge problems.

“Mobile technology will not only facilitate communication beyond borders, but will also be an engine for empowerment and a driving force for economic growth.”  
(Carl-Henric Svanberg, President and CEO Ericsson)

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Once the project is running, there is a need to make the stakeholder engagement more credible and standardised by introducing accepted reporting systems to reflect the progress. IKEA annually writes internal reporting schemes on their existing projects of the partnership. In these reports, one can find, for example, the social issues, business links, project objective, activities, targets, quantitative and qualitative outputs and the challenges and risks of the project. Open and transparent reporting of results and accountability is a pre-condition for growth and makes engaging in partnerships more cost-efficient. Since it is possible to measure similar goals with different indicators, it is vital that all partners agree on the indicators used to measure results.<sup>99</sup> Furthermore, reporting makes it possible to learn how to proceed by discussing and sharing experiences with other companies.<sup>100</sup> The Global Reporting Initiative (GRI) stimulates reporting on economic, environmental and social performance. Their Sustainable Reporting Framework provides stakeholders a universally applicable, comparable framework in which to understand disclosed information. The GRI provides transparency and can be a powerful catalyst to improve performance.<sup>101</sup>

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<sup>96</sup> Greenall and Rovere, *supra* note 8.

<sup>97</sup> Warner and Sullivan, *supra* note 28.

<sup>98</sup> *Columbia's Earth Institute and Ericsson Join Forces to Empower Millennium Villages*, [www.govtech.com/gt/141899](http://www.govtech.com/gt/141899), September 10, 2007.

<sup>99</sup> Greenall and Rovere, *supra* note 8.

<sup>100</sup> *Ibid.*

<sup>101</sup> [www.globalreporting.org](http://www.globalreporting.org), visited 12 October 2007.



## 4.4 Empowerment

Building capacity within a partnership is necessary to sustain the implementation of human rights in the community. Therefore, the partnership has to focus on capacity building from the start, which in the end, can lead to empowerment of local communities.

“Capacity building relates to the whole society. Capacity building is to give them the tools they need to build their development.”  
(Lotta Malfrere, IKEA Social Initiative)

One can look at empowerment of local communities from several perspectives. First, one can distinguish empowerment in money, knowledge, skills, opportunities or institutional strengthening. This list, however, is not exhaustive. Secondly, one can distinguish empowerment of women, adults, local stakeholders, suppliers and children or the empowerment of the local community as a whole. It is essential to know who can be the key change drivers within the community, in order to decide whom to empower. In the partnership between IKEA and UNICEF, the focus is on women’s empowerment. It is important to let women have a voice in development issues to represent their value and will and also to represent the needs of the children. Women are appropriate key change agents for the development of the community. Finally, one can distinguish the process of empowerment through education and empowerment through participation and leadership. The empowerment of children is mainly through education. Education increases their knowledge and skills, create better opportunities for their future, and education will create awareness of their rights, which enables them to claim their rights. The empowerment of adults is not as clear-cut as with children. However, education is also a useful tool for adults in order to build capacity. Independently from empowering the group of person, it is always important to look at their participation in the partnership to measure their empowerment. Through the partnership, local stakeholders get familiar with cooperating with the business sector, governments, UN agencies and NGOs. Partnerships have to build bridges between the local communities and the government. Active and meaningful participation in the partnership improves leadership and management skills of the local communities, which enables them to have a voice and to influence new development programmes, even without the support of the multinational partners.<sup>102</sup>

**Capacity enhancement + meaningful participation = Empowerment**  
**Empowerment = more educated / informed / independent / confident**

**Empowerment enables sustainable community development**

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<sup>102</sup> Business Partners for Development, *supra* note 7.

## Indicators

Interaction, training, dialogue and investment in people have more impact on community empowerment than simply providing local communities with money. Therefore, to reach empowerment through a partnership on development, two important features to focus on are capacity enhancement and meaningful participation. In order to measure this empowerment and the incremental contribution of a partnership approach to the interests of community development, business and public-sector governance, indicators are necessary. Indicators can be based on, for example, inputs, activities, outcomes and impact. One has to be aware that measuring success is different from measuring impact.<sup>103</sup> Indicators regarding empowerment are indicators of result, which can include outcome and impact. In this research, empowerment is mainly measured along qualitative questions towards the local community. It is essential in measuring impact to see whether the type of activities, in fact, address the issue. Furthermore, to measure the additional value of the partnership, one should look what alternative methods, like government funded projects, would have achieved and also consider external contributing factors.<sup>104</sup> In the case of Northern India this means that, for example, corruption, the marginalisation of women and the caste system have to be taken into account.

Several methods and tools have been developed in the last few years to measure the impact of governmental and other policies on human rights. Unfortunately, there is not enough space in this thesis to go into depth on the issue of human rights impact assessment (HRIA). However, it is worth mentioning the most prominent tools that exist at the moment regarding HRIA for business; The Human Rights Compliance Assessment tool of the DIHR<sup>105</sup>, the Conflict Sensitive Business Conflict (CSBC) guidance for extractive industries developed by International Alert<sup>106</sup>, the HRIA for foreign investment projects from Rights and Democracy<sup>107</sup> and the Guide to HRIA from IBLF, IFC and the UN Global Compact.<sup>108</sup> These practical tools help companies to assess the impact of their operations on people within the company and within its wider sphere of influence and give assistance to improve their policies and performance on human rights issues. Researching HRIA focused on empowerment of local communities would be an interesting topic to write another paper about.

With the input of all partners in this partnership on development between IKEA and UNICEF, the indicators of empowerment written down on the following pages, became apparent. The degree of consensus of all partners on the positive impact provides a high level of confidence on the reliability of the evidence.<sup>109</sup> Due to the need of transparency, there is a distinction between indicators regarding female

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<sup>103</sup> Andersen and Sano, *supra* note 42.

<sup>104</sup> Warner and Sullivan, *supra* note 28, pp. 191-199.

<sup>105</sup> <http://www.humanrightsbusiness.org/>, last visit on 14 October 2007.

<sup>106</sup> [http://www.international-alert.org/our\\_work/themes/extractive\\_industries.php](http://www.international-alert.org/our_work/themes/extractive_industries.php), last visit on 14 October 2007.

<sup>107</sup> <http://www.dd-rd.ca/>, last visit on 14 October 2007.

<sup>108</sup> [http://www.ifc.org/ifcext/enviro.nsf/Content/OurStories\\_SocialResponsibility\\_HumanRights](http://www.ifc.org/ifcext/enviro.nsf/Content/OurStories_SocialResponsibility_HumanRights), last visit on 14 October 2007.

<sup>109</sup> Warner and Sullivan, *supra* note 28, pp. 191-199.

empowerment, community empowerment and empowerment of children. Furthermore, there are no indicators with exact numbers since they may lead to false satisfaction and take away the attention of what is actually happening. A difficulty in the measurement of empowerment is that the correlation between the partnership and the effects on the local community is not always clear-cut and that empowerment has a lot to do with the feelings and changing perceptions of local people. This includes feelings regarding growth and development, satisfaction, learning and independence, development capacity without external aid and self-confidence to arrange own businesses. It is not always possible to formulate indicators to represent these feelings. However, they do relate to the indicators and therefore, boxes with quotes to indicate these feelings of empowerment are included.

In general, all women experience their independence as a major change. Nearly all the women of the mature WSHGs expressed that the expectations that they had from the start of the project had been fulfilled. They can pay for all necessary things for the house, they have a bank account for urgent expenses, they do not fully depend on their husbands anymore and they can send their children to school. Most women mention that the outcome of the project is extending their former expectations. They did not expect such a feeling of unity and are happy that they are able to discuss pressing social issues together. Furthermore, most of the women had never seen a bank before and feel that it is part of their empowerment that they go to the bank themselves and manage their own money. Also, for example, within the PMU is empowerment noticeable. Even though most of them have a university background, through the partnership they learned many new skills and knowledge that enables them to perform better and work more efficiently. For example, they have increased communication skills, increased knowledge on social issues, like child labour, and learned to cooperate with governmental agencies. The capacity enhancement in the partnership contributes to the empowerment of people in Northern India on several levels.

**Indicators to measure the process of empowerment in the community, as a result of capacity enhancement and meaningful participation, in a temporal dimension:**

### **Quotes related to female empowerment (WSGHs)**

- ❖ “The most important change is that the women get out of their debt circle, which is the main reason to send children to work. They learned to save money and use it more efficiently; the women also borrow and lend to other groups.” (Lotta Malfrere, IKEA Social Initiative)
- ❖ “Another major change is the gathering. This uniting of women gives them self-confidence and they learn how to share information. Overall, the women in the WSHG feel stronger and more empowered through contact and interaction with other women.” (PMU)
- ❖ “Three years ago I was afraid to leave the house. Through the project I started to interact with other women and now I even dare to show my face and not hide beyond my sari!” (Mature WSHG)
- ❖ “We know where to go and how to do it. Some of the work we do, like the immunisation project, we know that our men are not able to do this.” (WSHG)
- ❖ “The women, who have to walk for several hours to a meeting, sometimes ask the PMU for a ride. In the beginning, the women did not have the confidence to ask this. It is a sign that the women have more trust in the partners and feel more equal to them.” (Vandana Verma, IKEA Social Initiative and Children’s Ombudsman, IKEA South Asia)
- ❖ “Our motivator initiated to make a song on non-discrimination. We love to sing this song and raise awareness in the villages about the discrimination between boys and girls and emphasise to send all children to school and treat them equally.” (WSHG)
- ❖ “Some of the women ask questions directly (in English!) to foreign visitors. For example questions regarding the position of women in their home countries. This demonstrates two aspects of empowerment. It indicates that they have self-confidence to speak up and that they have knowledge about other countries in the world, which they did not have before.” (Vandana Verma, IKEA Social Initiative and Children’s Ombudsman, IKEA South Asia)
- ❖ “The women of the Income Generation Initiative ask me how the sale of the cushions is going. This demonstrates their entrepreneurial knowledge, since they understand that the more cushions are sold, the more orders they will get. In the beginning, they just asked us for more orders.” (Vandana Verma, IKEA Social Initiative and Children’s Ombudsman, IKEA South Asia)
- ❖ “Within the WSHGs we disseminate knowledge and therefore need less external training. Through our meetings, we learn which salt to use best for cooking, how important it is to have sanitary facilities, how to wash our food and what to do when we are pregnant.” (WSHG)
- ❖ “I believe we can carry on in case IKEA leave the project. We paid off our loans and solved our most urgent problems.” (Mature WSHG)
- ❖ “We know how to fight with words.” (WSHG)
- ❖ “We do not have two hands, but forty-eight!” (WSHG)
- ❖ “We do not think we deserve less than men.” (Mature WSHG)
- ❖ “The fact that women try to put pressure on other women is a sign of confidence and power to comply with the program.” (Vandana Verma, IKEA Social Initiative and Children’s Ombudsman, IKEA South Asia)
- ❖ “I am proud that we saved so much money together.” (Mature WSHG)
- ❖ “It is up to us!” (Mature WSHG)

### **Indicators of female empowerment;**

- Increased independency
  - Women leave their houses, interact with each other and unite.
  - Being able to make their own decisions without asking their husband.
  - Having their own money and not depend financially on their husband.
  - No external debts with moneylenders.
  - Self-confidence to speak up.
  - Being able to carry on in the case one of the partners leaves the project.
  
- Increased knowledge and capabilities.
  - Understanding the additional value of organising and arranging things together instead of alone. Importance of harmonisation and knowledge sharing.
  - Having the confidence to communicate. Start to speak, dare to give their opinion and get involved in discussions.
  - The feeling of being strong enough to start discussions, within the group, but also to start discussions without the group, for example, with other partners or with their husband.
  - Disseminate information on non-discrimination and other pressing human rights issues.
  - Increased entrepreneurial knowledge; being familiar with economic activities and being able to manage a bank account.
  - Persuade others to commit with certain rules.
  - Try to change the perceptions of others in the community on issues regarding health, education, equality and nutrition.
  
- Increased opportunities and choice.
  - Movement of women to other villages; to disseminate information, motivate other women to unite, go to the bank or share experiences.
  - The feeling to be able to serve the community and being useful.
  - Female motivators and instructors.
  - Females in governmental positions.
  
- Changed perceptions.
  - Being proud of who they are and what they do.
  - Women dare to show their face and stop hiding behind their saris.
  - Increased trust towards people outside their own village.
  - The increased feeling of being equal to the other partners.
  - Women get more respect from men and gradually feel more equal to their husband.

### **Quotes related to the community empowerment**

- ❖ “We get familiar with economic activities. We are able to handle with money, go to the bank and manage an account.” (Mature WSHG)
- ❖ “The feeling that we have opportunities and a choice.” (WSHG)
- ❖ “It is a secure feeling to realise we do not need the money lenders anymore.” (Mature WSHG)
- ❖ Women become more frisky and independent. Because of the fact they do more work, men will accept this in the end.” (PMU)
- ❖ “The polio-team reaches almost all families in the project villages now. This demonstrates that people are willing to get the polio drops for their children. In the beginning of the project, there was a lot of resistance. Due to a lack of knowledge on health related issues, people were afraid and did not trust the polio-team. Now, they are aware of the importance of the polio-drops.” (PMU)
- ❖ “We explained it to you, but you are the ones who execute it and finally did it!” (PMU)
- ❖ “I have the feeling we received enough training to do our work.” (Motivator)
- ❖ “More equal to man now? No. They are very cooperative and let us go to the banks. Most men are proud of there woman and have more respect for them because they earn money as well. We do feel more important than before, but are not equal to men. One can see this for example in the duties men and women have within the community. Women can not deny their duties, where men still think that their wife will do it if they do not fulfil their duty.” (WSHG)
- ❖ “Now we know how to safe money, I also want to open a personal bank account and show my children how to safe money and how to use it for urgent matters.” (WSHG)
- ❖ “I am proud we can offer our children more opportunities than we have had.” (Instructor ALC)
- ❖ “We hope for better medium conditions, like enough food and good education for our children.” (WSHG)
- ❖ “I never dare to dream before; we did not even know what it was to dream. Now, I feel there are possibilities to change and develop. We have hope for a better future for our community and our children.” (Motivator)
- ❖ “It is a sign of community empowerment that the project is expanding without the actual help of the project.” (PMU)

### **Indicators of community empowerment;**

- Increased awareness on issues such as health, education, nutrition and equality.
  - Awareness that education contributes to the effective development of the community.
  - The establishment of a proper educational system with enough schools, teachers and materials. (quality above quantity!)
  - Better food habits and varied nutrition.
  - The knowledge that good sanitary facilities, hygiene and immunisation reduce the chance of getting diseases and therefore reduces medical costs.
  - The amount of families with their own toilet in the house.
  
- A general improvement of the economic situation.
  - No external debts.
  - More food on the table and better nutrition.
  - Less poverty. In the perception of local women, this can be measured by, for example, food habits, reconstruction of the houses (adequate housing) and the kind of dresses that women wear.
  - Members of the community being better organised; efficiency of community decision-making.
  - The ability of the community to survive without external aid
  - Community institutions taking initiatives for development.
  - Discovering other ways to earn money; setting up their own businesses like sewing, grocery and medicine shops.
  - Access to the market and employment.
  - Long-term sustainable economic opportunities.
  - Certain leaders stand up and take the responsibility to motivate and inspire the other people in the community to work more on the development of their community.
  - Request for assistance from the local community becomes more specific and reduce in number.
  - Improved stake-holder dialogue.
  - Ownership of the project.
  
- Changes of mindset.
  - Acceptance of girls and women leaving the villages to teach, disseminate information or go to the bank.
  - Democratic elections where everybody above 18 years old have a right to vote.
  - Democratic elections where men and women have equal opportunities to be a candidate.
  - Women in governmental positions.
  - Open discussions on social issues and problems, such as domestic violence and alcoholism.

### **Quotes related to the empowerment of children (ALCs)**

- ❖ “The future is brighter for our children. There is less pressure on them to work, they will be healthier because of the immunisation project, they will be more educated and they will be capable to manage their families.” (WSHG)
- ❖ “Parents did not care if their children just hang around and not attend school regularly. Now, almost all parents in the project villages are aware of the importance of education and send their children to school on a regular basis.” (Motivator)
- ❖ “We do not see it as a misfortune to have a girl anymore.” (WSHG)
- ❖ “My parents are poor and I was afraid they would not send me to school. Because of the ALC my parents have the opportunity to send me to school.” (Child ALC)
- ❖ “Illiterate girls have less chance to get married.” (Women in WSHG)
- ❖ “Almost all children in the project villages attend school now. Parents did not realise the importance of education a couple of years ago. The perception on school changed a lot through the project. The children are happy to go to school and the parents see that illiterate children have more opportunities.” (Instructor ALC)
- ❖ “Before the project, it was common for girls of this village to marry at the age of twelve.” (Motivator)
- ❖ “A great step forward is that different castes sit together in the Alternative Learning Centres. This is very special regarding the former social structure of villages.” (Dipankar Gupta, professor in social sciences and advisor to IKEA)
- ❖ “I know I have more opportunities if I finish my education.” (ALC)
- ❖ “The joyful learning method makes the children learn faster and enjoy going to school more than before.” (Instructor ALC)
- ❖ “I have the feeling I have done something for my own village, now I like to do something on a bigger level. I want to work on social problems in our district, like wife beating and alcoholism, and remove this social illness.” (Instructor ALC)
- ❖ “It is noticeable that the discussions on health issues increase the health situation of pregnant women and little children.” (WSHG)
- ❖ “I had to build association between school and parents and guardians. Most of them were not interested to send their children to school. I went to all houses and had personal talks with them in order to convince them of the positive influence of education.” (instructor ALC)
- ❖ “I was selected for a training to become an instructor at an ALC. I learned how to establish an ALC. Now, I also give advice and motivate others to start an ALC.” (Motivator)
- ❖ “I inspired other girls to teach and started a small coaching institution for new teachers.” (Instructor ALC)
- ❖ “School gives us knowledge. Now working in the fields isn’t our only choice.” (Neha, 16 years old)



### **Indicators of empowerment regarding children (personal empowerment);**

- Increased opportunities to develop.
  - Registration of all births and deaths.
  - Parents know the importance of sending their children to school.
  - Increasing number of children attend school and complete their education.
  - The perception that education increases the change of finding a good job.
  - Enhancement of life skills and capability skills.
  
- Increased equality.
  - Girls and boys attend school equally.
  - No girls get married before the age of 18 years.
  
- Increased knowledge on health conditions.
  - Women go to primary health clinics for advice during pregnancy and for delivery.
  - Knowledge that pregnant women need special protection and therefore take extra sanitary measures and follow a healthy diet during pregnancy.
  - Better nutrition to young children.
  - Full immunisation of all children.

### **Success story empowerment**

**Ravita, 27 years old, married and two children**, graduated in a Bachelor of Arts. Even though a Bachelor degree is already above average, Ravita wanted to continue studying. Her family, however, did not encourage this and she was forced to start working. Fortunately, her uncle supported her after a one-year break and she was able to study again. At a certain point, this social project arrived and the PMU asked her to become a motivator. Ravita's family finally accepted this and she got the job and started to earn her own salary. With this money, she was able to pay her own school fee and Ravita believes that without this money she might not have finished her education. It was not always easy to be a motivator; she had to walk for hours to reach other villages and most women were resistant in the beginning. However, she saw a challenge in educating illiterate girls. After three years, most of the girls attended school and this motivated her to continue and expand the project. She achieved social recognition and feels successful because she developed leadership by setting up several WSHGs and motivated other women to establish ALCs. She can see the impact of the first WSHGs and is proud that the situation of these families has been improved. Even women who did not trust the project in the beginning, like to participate now. With a proud face, she said: "The project is very meaningful for children and women in our community."

## 4.5 Rights Based Approach

A rights-based approach in a partnership on development can contribute to empowerment, because it recognises poor people as active rights-holders instead of beneficiaries. This establishes duties for states and other actors against whom claims can be made. The concept of rights-holders and duty-bearers emphasises the importance of accountability in development work. It moves the focus to development *by* people instead of *for* people.<sup>110</sup>

A rights-based approach (RBA) to development is a framework that integrates the norms, principles, standards and goals of the international human rights system into the plans and processes of development.<sup>111</sup> Instead of charity, the departure point in this approach is the entitlement of rights. The United Nations elaborates upon this and promotes the understanding of the RBA in their guidelines for poverty reduction strategies. Paragraph 44 of these guidelines state: “Any strategy for poverty reduction has to begin with identification of the poor. This task is composed of two steps: (a) identifying the attributes that are deemed to constitute poverty, and (b) identifying the population groups that possess these attributes.”<sup>112</sup> Also the World Bank, in reports of their ‘Voices of the Poor’ study, supports the RBA by recommending to invest in the organisational capacity of the poor, increase social capital, implement community driven approaches and engage in partnerships with civil society. The following principles form the basis of the rights-based approach:

- Inalienability, indivisibility and interdependence of human rights
- Empowerment and participation
- Equality and non-discrimination
- Accountability

A central dynamic of RBA is to identify the root causes of poverty, to empower rights-holders to claim their rights and to enable duty-bearers to meet their obligations. RBA supports the struggle of all people, especially the most vulnerable, to secure the full spectrum of rights. Every human being is a rights-holder, which means that everybody is entitled to rights, to claim rights, to hold the duty-bearer accountable and has the responsibility to respect the rights of others. It is essential to keep in mind that every human rights claim has a corresponding legal or moral duty-bearer. Legal duty-bearers are all the organs of the state, such as parliaments, ministries, local authorities, justice authorities and police. The state as a legal duty-bearer has the duty to regulate the actions of moral duty-bearers. Since every rights-holder has to respect the rights of others, every individual or institution that has the power to affect the lives of rights-holders is a moral duty-bearer. Therefore, private companies, local leaders, NGOs, parents and in principle, every individual is a moral duty-bearer. The more power an actor has, the larger the obligation is to respect, protect and fulfil the human rights of others.

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<sup>110</sup> J. Kirkemann Boesen and T. Martin, *Applying a Rights-based approach - an inspirational guide for civil society*, The Danish Institute for Human Rights, 2007.

<sup>111</sup> *Ibid.*

<sup>112</sup> UN Draft Guidelines; A Human Rights Approach to Poverty Reduction Strategies, 2002.

Two changes are necessary to realise a successful rights-based approach in development programmes. First, it is necessary to accept and acknowledge the complicity of poverty. Poverty is not merely about a lack of resources. It is about availability, accessibility, discrimination in policies and inequalities in status and entitlement. From this perspective, people are not poor, but people are actually impoverished. Severe poverty is a situation wherein a person cannot avail of her human rights, which is a violation of human dignity and can be a threat to the right to life.<sup>113</sup> Poverty in itself is a root cause of numbers of human rights violations of a civil, political, economic, cultural, social nature as well as a grave infringement on the right to development. (Art. 25 UDHR, Art. 11 and Art. 12 ICESCR) Poverty exists within the structures of power and inequity in the local, national and global context and cannot be seen in isolation of individual circumstances or capacities. RBA is based on the concept that impoverished people have to be able to claim their rights and hold the responsible duty-bearer accountable. Duty-holders are thus violating international law by not taking steps to reduce poverty. Therefore, the Human Rights Council calls upon the need to reinforce a rights-based fight against poverty, through poor persons' participation in the planning of programmes that concern them.<sup>114</sup> The second necessary change to realise a successful RBA is to shift away from a simple needs-based approach in development thinking.<sup>115</sup> It is important to understand the differences between rights and needs. A deprivation of needs can often be addressed as a denial of rights, but the concept of 'rights' goes further than solely fulfilling needs, while rights always trigger obligations and responsibilities, whereas needs do not. It would be difficult to address the accountability of a duty-bearer for every need, but a right automatically raises the question who has the obligation to fulfil this right. Furthermore, rights go beyond the notion of physical needs and include a more holistic perspective of human beings in terms of their civil, political, social, economic and cultural roles.<sup>116</sup> Besides this, one has to treat marginalised people as equal human beings in their effort to claim their rights. By emphasising how grateful people are with development aid, one easily forgets it is nothing they have to be grateful for because it is their *right* to have these claims fulfilled. RBA emphasises this universal right to live without poverty and injustice, instead of campaigning for 'the needy'.

The following chart demonstrates the shift in development thinking from policies mainly based on charity towards a needs-based approach and finally a shift to rights-based approaches.

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<sup>113</sup> A/HRC/5/NGO/5, Implementation of General Assembly Resolution 60/251 of 15 March 2006 entitled 'Human Rights Council', 6 June 2007.

<sup>114</sup> *Ibid.*

<sup>115</sup> Kirkemann Boesen and Martin, *supra note* 82, p. 9.

<sup>116</sup> Kirkemann Boesen and Martin, *supra note* 82, p. 10.

| <b>Charity Approach</b>                              | <b>Needs Approach</b>                                | <b>Rights-Based Approach</b>   |
|--|--|--|
| Focus on input not outcome                           | Focus on input and outcome                           | Focus on process and outcome   |
| Emphasises increasing charity                        | Emphasises meeting needs                             | Emphasises realising needs   |
| Recognises moral responsibility of rich towards poor | Recognises needs as valid claims                     | Recognises individual and group rights as claims toward legal and moral duty-bearers |
| Individuals are seen as victims                      | Individuals are objects of development interventions | Individuals and groups are empowered to claim their rights                           |
| Individuals deserve assistance                       | Individuals deserve assistance                       | Individuals are entitled to assistance   |
| Focuses on manifestation of problems                 | Focuses on immediate causes of problems              | Focuses on structural causes and their manifestations                                |

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Human rights have to be considered as means and ends of development. RBA has considerable potential to achieve positive changes in people's lives due to its focus on injustice, inequality, discrimination, exploitation and denial. To work with the power balances, marginalisation and obligations of duty-bearers, partnerships must integrate practices and methods from the human rights field. This internationally recognised framework of human rights law becomes the driver of partnerships and gives them more legitimacy.<sup>118</sup> The RBA brings a noticeable shift in emphasise towards empowering beneficiaries, which is an important step forward in the fulfilment of human rights. Instead of intervening in local communities, partnerships give input, support and enable them to create development. RBA ensures the meaningful and systematic inclusion and empowerment of the most vulnerable and therefore, partnerships on development have to implement a RBA for effective contribution to the fulfilment of human rights.

IKEA and UNICEF assess the needs of local communities to see where the partnership has to focus their social projects on. This indicates a needs-based approach. However, they structure their projects in accordance with the rights of the child and women. According to Marianne Barner, it is important for the sustainability of a project to have a holistic approach, this can be either rights-based, needs-based or a combination of both approaches.

A risk of the needs-based approach is that people decide what other people need. At the same time, there is a risk to the rights-based approach if 'outsiders' start to decide which rights has to be fulfilled in a certain local community. Very often, local people are not aware of their rights and therefore are not able to claim their rights. Through meaningful participation and capacity enhancement, awareness of fundamental rights can be raised which increases the opportunities for local people to claim their rights.

<sup>117</sup> *Ibid.*

<sup>118</sup> Twentyfifty, *supra* note 32, p. 7.

## 4.6 Claiming rights

The partnership between IKEA and UNICEF aims to contribute to the fulfilment of children's rights, which they mainly want to reach through the empowerment of women. One of the last stages of this process relates to a more formal way of empowerment where there is access to an independent institute to claim rights and address human rights violations. The awareness of rights is important in the fulfilment of human rights. Within the project, there are no formal seminars or discussions on children's rights or women's rights and IKEA and UNICEF both believe it is too early to disseminate, for example, a compilation with the most important human rights standards in the project villages. This might be useful in future, but for the moment, it will not contribute to the fulfilment of their rights.<sup>119</sup>

“Of course, it is essential that they are aware of their rights. Therefore, we translate the main articles of the Human Rights Conventions and Declarations in a language they can understand.”

(Vandana Verma, IKEA Social Initiative and Children's Ombudsman, IKEA South Asia)

In this partnership, the focus is on four specific rights of the child, which indirectly explain the rights of women. Education plays an important part in raising awareness on these fundamental rights and therefore, the motivators and instructors disseminate this information in all WSHGs and ALCs. Changes of attitude are required to understand certain rights, but through the partnership, there is an increasing level of awareness in the project villages on the following rights:

1. The right to survive. Women have to take precautionary measures while they are pregnant and should go to primary health offices for the delivery of the baby. (Art. 6 CRC)
2. The right to develop. This means that women are aware of the importance of birth registration, immunisation (mainly to prevent tuberculosis) and polio drops. (Art. 6 CRC)
3. The right to equality. There have to be equal opportunities for boys and girls to attend school and equal treatment at home. (Art. 2 CRC)
4. The right to be protected against exploitation. Children under 14 years old are not allowed to work and should attend school. They also should not work at home or be abused or forced to do certain jobs. (Art 32 CRC)

The awareness of these rights relates to the elimination of child labour. However, if children have the possibility to play (Art. 31 CRC), get educated and receive enough food, it is allowed to let them help their parents with certain jobs in the house. It can be useful that children learn practical skills from their parents as long as it is in accordance with the child rights provisions and the IKEA Code of Conduct.

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<sup>119</sup> Malfrere, *supra* note 64.

“At school we discuss the four rights and I explained it to my parents.  
Now they also know them” (ALC)

The caste system, extreme hierarchy and the social economic structure might prevent people in the project villages from claiming their rights. Besides this, most family structures prevent women from doing anything against the will of their parents. This can make it difficult to enforce their rights. There are some authorities where local people can claim their rights. Unfortunately, there is a deficiency in the infrastructure and the institutions do not function properly. However, there are several success stories demonstrating the awareness in the villages of certain rights and their capability to claim their rights.

#### **Subsidy for sanitary facilities**

The national government provided subsidies for people to install proper toilets to increase the sanitary facilities in houses. This money does not directly go to local people, but through the state government, the district government and the local government. Within this system, some money got ‘lost’. Through this partnership, people in the villages get more involved in politics and found out that families in the villages did not receive the amount of money they were entitled to. This form of corruption is not easy to avoid. However, women from the WSHGs united and complained about the situation. In the end, families received the right amount of money for their sanitary facilities. This demonstrates the success of collective action and the possibilities of local women to fight against corruption and to claim their rights.

#### **Demonstration against school fee for girls**

Before the project started, parents in most villages were not aware that girls and boys have an equal right to education. One school required a certain school fee for girls, whereas boys could attend this school for free. This was a reason why many girls did not go to school in this village. Through the project, parents realised that this is a form of discrimination and corruption. However, the school director did not give in and kept asking the school fee for girls. Women tried to open a dialogue with the school, but without success. As a collective group, the women went on to the streets and demonstrated against the school fee for girls. Finally, the director had to give in and changed the illegal ‘policies’ which resulted in free education for boys and girls. Due to the uniting of their forces, women felt confident and powerful enough to demonstrate against the school director. They fought for the rights of their children and achieved what they wanted.

## 4.7 The Business Case

“Our approach is to look at business objectives on the one hand, social and environmental responsibilities on the other. For us there is no conflict between the two.”  
(Anders Dahvlig, President and CEO of the IKEA Group)

IKEA’s partnership with UNICEF has allowed the company to achieve its business objectives while supporting children and women and their opportunities for learning and developing.<sup>120</sup> IKEA does not believe in pure philanthropy. In their opinion, it is necessary to have a business link to do social projects that create a sustainable impact on community development. Therefore, IKEA primarily has children’s rights projects where IKEA’s business is located. IKEA, by working with their suppliers in developing countries, has lower production costs, their customers are getting better prices and they remain competitive. However, by placing demands on suppliers and working together with them, IKEA can help them to reach a higher standard of working conditions, a better environmental performance and at the same time develop sustainable competitiveness. The right price is a precondition for making business, but if IKEA cannot show progress also in the social and environmental side, their customers will not accept this policy. Labour unions and votes from the Western world demand equal conditions for all suppliers, regardless from which part of the world they come from. The IKEA code of conduct, together with the social projects, create conditions in which business objectives go hand in hand with social and environmental demands. This makes it possible to raise new standards while maintaining competitiveness. Problems like long working hours, non compliance with minimum wages, falsified records, lack of production planning, lack of quality management and a lack of communication between management and workers result in tired workers, low production efficiency, a high rate of accidents and illness, high work turnover and factories not meeting local legislation. This is not cost-efficient. A code of conduct can create order in the factory and improve working and social conditions, which stimulates and benefits co-workers. Due to increased productivity, improved human resources management, improved communication and reduction of working hours, there will be a more efficient and profitable production.<sup>121</sup>

The training sessions with suppliers on the demands of the code of conduct are always with one person from IKEA’s business team and one person from IKEA’s social team. The local suppliers take the training more seriously if the focus is not solely on social improvement, but creates awareness that compliance with the code of conduct will create business profits for them. Besides being more cost-efficient, a major business implication for IKEA in this partnership is that they do not want any child labour in their production chain, because consumers do not want to buy their

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<sup>120</sup> UN Global Compact, *supra* note 59.

<sup>121</sup> Anders Dahvlig, president and CEO of the IKEA Group, The Global Compact conference in Shanghai, December 2005.

products if they are produced with child labour. CSR solely based on social projects, will only be enough to let certain departments in a company work with CSR. To get the whole company involved, it is necessary to demonstrate the business implications of CSR.<sup>122</sup> To change corporate behaviour, a moral change is necessary at all levels in a multi-stakeholder partnership. This means a complex task of influencing management, workers, investors, consumers, governments, shareholders and all other stakeholders. A partnership is a new way to tackle social problems and create business opportunities at the same time. Public debate is necessary to let people think more outside of the box and see the potential of this new opportunity.<sup>123</sup>

“A simple economic intervention has engendered significant social impact on the quality of life of children and women, and improving their access to income-generating opportunities.”  
(Vandana Verma, IKEA Social Initiative and Children’s Ombudsman, IKEA South Asia)

Successful partnerships are primarily shaped around a shared long-term vision. In general, joint interest seems not to be enough and joint activities are necessary in order to have a sustainable partnership on development. A shared working plan built on core complementary competences is the key to operational success.<sup>124</sup> Companies have to find a balance between a pragmatic approach, to fulfil business obligations, and a reflective approach to meet societal obligations. Business has an interest in encouraging the improvement of social conditions, including good human rights practices, as these are an essential factor for a stable development.<sup>125</sup> A partnership will reduce social and local environmental risks and create new business opportunities if this approach is incorporated into the key business activities.<sup>126</sup> Companies responding with new policies and strategies, often supported with new personnel and critically new models of learning and change, generate business opportunities from taking leadership in CSR.<sup>127</sup> Furthermore, safe and better working conditions improve the continuousness of the production due to motivated and less ill workers. Partnerships create cost-efficiency and clear economic advantages for companies. All reasons mentioned above, demonstrate the business case for companies in contributing to the fulfilment of human rights.

According to Christine Bader, advisor of the UN Special Representative of the Secretary-General for business and human rights, the business case is an important lever that brings about changes in company’s behaviour. Besides the market opportunities, enhanced reputation, access to financing, staff recruitment and retention, CSR policies may also depend on

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<sup>122</sup> Gupta, *supra* note 75.

<sup>123</sup> Mares, *supra* note 18, pp. 83-84.

<sup>124</sup> Business Partners for Development, *supra* note 7.

<sup>125</sup> M. Cattai, Secretary General International Chamber of Commerce, Business Leaders Initiative on Human Rights, Report 2: Work in Progress, 2004.

<sup>126</sup> Business Partners for Development, *supra* note 7.

<sup>127</sup> S. Zadek, *Scaling-up Corporate Responsibility*, Ethical Corporation, 13 January 2003.



the company's capacity (money, time, expertise), the available tools (guidelines, forums, training materials), the legislative or regulatory sanctions and the understanding of the impact business can have on human rights. Bader emphasises multi-stakeholder initiatives, like partnerships, as an appropriate approach to identify the right levers with the right parties in order to let more business become aware of the additional value of aligning the interest of the company with the interest of society. Especially NGOs or UN Agencies with the mandate and capacity to work directly with companies are vital in the process of improving corporate performance.<sup>128</sup>

### **Business responsibilities**

There is currently no consensus among businesses, states, human rights groups or consumers as to what extent companies have responsibilities for their suppliers abroad. The law in this area is underdeveloped and substantial practical difficulties make the responsibility issue of companies towards their supplier even more complicated. Until proper legislation is developed, companies are free to react to moral and public expectations how they want. Nevertheless, entities as powerful as international business need to operate within a framework of international accountability, but until now, states have not met their duty to regulate corporations to protect human rights. According to John Ruggie, Special Representative of the Secretary-General for human rights and business, national governments have to further codify and enforce laws related to business responsibility and he suggests that voluntary initiatives are drawing a blueprint for the architecture for binding standards.<sup>129</sup>

Businesses can conceptualise and frame their responsibilities according to the international human rights framework. In international law, there are two generally recognised modifiers of responsibility: intention and reasonable foreseeability.<sup>130</sup> In the business context, a company can be held responsible if they intentionally sought out, or encouraged, a supplier to commit a human rights violation or if they could reasonably foresee a significant possibility that the supplier was engaging in human rights violations. The company's responsibility to act, depends on the proximity to the violation.<sup>131</sup>

A company that takes responsibility for human rights violations can mean several things. It can mean diligence, using good monitoring practices to avoid human rights violations, or to undertake corrective action when violations are found. However, a company can also take the opportunity to go beyond the minimum human rights requirements and try to create a positive impact on the development of communities

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<sup>128</sup> C. Bader, *Voluntary Initiatives – Helping the laggards join the race*, Ethical Corporation, 11 October 2007.

<sup>129</sup> A/HRC/4/035, Implementation of General Assembly Resolution 60/251 of 15 March 2006 entitles 'Human Rights Council'; "*Business and Human Rights: Mapping international Standards of Responsibility and Accountability for Corporate Acts*", 9 February 2007.

<sup>130</sup> M. Jungk, *Defining the Scope of Business Responsibility for Human Rights Abroad*, The Human Rights and Business Project, Danish Institute for Human Rights, 2007.

<sup>131</sup> *Ibid.*

where suppliers are located.<sup>132</sup> Besides the primary duty to respect, businesses can take the positive duty to contribute in the protection, promotion and fulfilment of human rights. Companies start to protect not only the rights of their own employees, but also of the rights of their suppliers and contractors and the rights of local communities affected by their operations.<sup>133</sup> The current frameworks of responsibilities can help companies to address human rights violations in their supply chain, but can also improve ethical business operations. However, it is impossible for a company to solve all human right related problems at once and in all places. Companies have to have policies that take account of both ethical concerns and commercial realities, such as the limited time and resources available and the scale and complexity of the companies' international supply chain.

IKEA recognises their social projects as both a responsibility and an opportunity. According to Vandana Verma, it means doing good business. It is a combination of being forced to comply with the international standards and at the same time taking the opportunity to have a positive impact on community development. Partnerships are an investment, instead of a donation. Pure altruism is in general less sustainable, because it is often a one-way transaction based on the needs of the recipient as a spontaneous response to an unexpected disaster. Altruism can be a good solution in the case that companies have personal involvement in the cause of the disaster. However, to improve the quality of the business environment and produce social gains at the same time, companies can engage in a partnership to have a sustainable positive impact on society. Companies have to create social value and use their charitable contributions to improve their own competitive edge in the end.<sup>134</sup> Therefore, companies have to find a proper balance in their human rights policies between serving the society and being profitable. Partnerships offer this possibility as a way of doing business.

## 4.8 Challenges & future steps

According to Marianne Barner (May 2007), the main challenge for IKEA in this partnership with UNICEF is to not formalise the network too much, keep it a pragmatic approach and work in their local way and on their terms.

Most challenges in the partnership between IKEA and UNICEF relate to sustainability. The power gaps, the pattern of corruption and the difference in status in Northern India influence the process of empowerment in this partnership. These external factors can be part of the reason why women sometimes still lack confidence and trust to create new WSHGs without support of the project.<sup>135</sup> Until now, there have not been enough local initiatives by women to start their own businesses, at least not

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<sup>132</sup> M. Jungk, *Complicity in human rights violations; a responsible business approach to suppliers*, The Human Rights & Business Project, Danish Institute for Human Rights, 2006.

<sup>133</sup> BLIHR, *supra* note 39.

<sup>134</sup> I. Pollach, 'Two Faces of Corporate Philanthropy: Benevolence vs. Enlightened Self-interest' in *Business Social Partnership, An International Perspective*, S. Singh – Sengupta (ed), Aalekh Publishers, Jaipur, 2005, pag 96-116.

<sup>135</sup> Gupta, *supra* note 75.

to the extent that IKEA had hoped. This has to do partly with the fact that during the first years of a WSHG, women learn how to save money and once the women have their own bank account, the first priority is to spend this money on health, education and other pressing needs, instead of immediately invest in new businesses. IKEA realised that this will take more time and it also require more training in negotiation, entrepreneurial and management skills. However, there are already several success stories in self-employment. For example, a woman bought a sewing machine to be able to start her own sewing business in the village. Now, she is even teaching other women how to sew. Another example is that a woman started a medical store together with her husband. With the distribution of medicine, they have their own business and earn a sufficient salary. These are examples of forwarding skills and knowledge in order to enhance capacity within their own village. It demonstrates that empowerment is necessary to create sustainable and independent development. However, until now, the empowerment of the women is mainly noticeable *within* the group. There is a lack of spreading their skills and knowledge within the whole community. A big challenge is to improve and increase interaction within the entire community. If the empowerment is more widespread and more community-les initiatives arise, the project will be more sustainable. Until now, mainly women and children benefit from the partnership. Therefore, the next level in the strategy of IKEA is to expand this and let the whole community benefit from it.

“Expand the beneficiary to make it sustainable.”  
(Lotta Malfre, IKEA Social Initiative)

Other challenges that might limit the effect of empowerment in this partnership are the problems regarding the quality of education. In order to eliminate child labour, it is essential that children finish their education.<sup>136</sup> Therefore, the quality of the education, especially the quality of the teachers, is an important factor for the sustainability of the project. If the ALCs are too boring and children do not like it or feel that they do not learn enough, they will drop out of school again.<sup>137</sup>

“We reached our first goal. Almost 95 percent of the children attend school. The next focus will be on the quality of the schools. We aim to expand the joyful learning methods in more villages.” (PMU)

For the local women the biggest challenge is to commit themselves to stick to the program. They know how to save money and they are able to do it. However, the women admit that it will be a challenge to continue this pattern of saving. For the instructors of the ALCs and several motivators, the biggest challenge for sustainable community development are the social problems, because issues like alcoholism and domestic violence influence the progress of empowerment in the villages.

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<sup>136</sup> Gupta, *supra* note 75.

<sup>137</sup> Verma, *supra* note 53.

Business wise, it is a challenge to ensure that all sub-contractors fulfil the requirements of the code of conduct. The problem remains that IKEA has big demands towards their suppliers compared to other companies in the carpet belt. These differences in the demands made of contractors can create a ‘black-sheep’ position for suppliers who have to fulfil IKEA’s demands. In the end, suppliers of IKEA have to disseminate their child labour policies and create a change in mindset, which will make all suppliers and sub-contractors comply with child labour standards. However, this moral change takes time. By increasing ownership towards suppliers, IKEA hopes that their suppliers will continue to force sub-contractors to fulfil the requirements. Furthermore, IKEA initiated a New Awareness Training Programme in 2006. A local Children’s Ombudsman, trained by IKEA, has to contribute to awareness rising on the issue of child labour by providing follow up training to all suppliers and introduce the code of conduct to all new co-workers and sub-contractors. This initiative has to strengthen the sustainability of the project.

“Support from the women’s group means I’ve been able to improve life for my family.” (Dharma – WSHG)

### **Project plan for the WSHGs**

Step 1: Empower the women through WSHGs and establish ALCs to improve enrolment and quality of education.

Step 2: Train the women leadership skills, which also includes education on democracy, elections and campaign. More women have to become head of the village and perform as executors of project plans and therefore, they have to know how to function in governmental positions. Until now, men still drive the development of the program and perform as the executors even though women can be head of the village.

Step 3: Teach women how to set up small business enterprises. Through the process of capacity enhancement and empowerment, they have to become able to contact suppliers independently and receive orders.

Once the WSHGs are mature and the programme is running efficiently, the project partners have to phase out their involvement slowly and let the WSHGs work independent from the PMU. However, there will still be a supervisor providing support and monitoring the WSHGs. The PMU and supervisor will discuss problems that the WSHGs face and decide whether the women can solve it themselves or whether the project has to provide assistance.

To create more development within the communities, most women notice they need employment. In their opinion, there is a lack of opportunities to use their knowledge and sustain the activities. Through small employment, the women believe they will be able to improve their wealth and lifestyle in future. This remains a central problem in partnerships. One of the partners, mainly the company, can provide the local population with employment. This can be considered as a positive development, because local people feel useful if they work, earn money and are able to fulfil their basic needs. However, capacity enhancement is

essential to avoid the risk that local people become too dependent on the company if their only income is through one particular company.<sup>138</sup> For example, IKEA cannot and does not want to let all women embroider cushions for IKEA. IKEA prefers to provide women with the entrepreneurial skills and knowledge in order to let them find their own ways to earn money. Helping them to find and create opportunities instead of providing them with employment will empower local communities in a more sustainable way. However, the government can also provide employment, which is often more sustainable than employment with a company. Therefore, it is essential to include the local governments in partnerships on development.

The Income Generation Initiative (IGI) is a business project from IKEA to stimulate the entrepreneurial activities in order to fulfil step 3 in the project plan. IKEA launched this IGI in 2005 as strategy for economic empowerment.<sup>139</sup> After the WSHGs fulfil the “12-point Child-friendly Village Agenda”, they get the opportunity to take advantage of their knowledge and learn more entrepreneurial skills. They receive orders from IKEA to embroider cushion pillows and earn their own money. Several difficulties arose with the launch of the IGI. There was a risk that the men would push the women aside and take over the work in order to earn money. To avoid this risk, IKEA chose embroidery as a job, which is a traditional profession for women in the project villages. Another risk was that also women outside the mature WSHG and even young girls would ask for orders from IKEA and stop their daily activities. This would mean that other women would stop the 12-point Agenda and that young girls would stop their education in order to make money with the cushion project. Therefore, the introduction of the IGI was immediately a test on the awareness of the value of education in the community.

In order to stimulate the process of meaningful participation, IKEA openly discussed the above-mentioned problems with the women and let them come forward with a solution. Systematically, the women came up with a rule that only women from the mature WSHG had *the right* to participate in the IGI. WSHGs first have to fulfil the social aspects of the project, before they will be able to make money with the cushion project.<sup>140</sup> This means, for example, that those women, who do not send their children to school, are not allowed to join in the IGI. This can also be an incentive towards other WSHGs to see opportunities for further economic developments if they are successfully contribute to the social development of the community. Finally, IKEA and the WSHGs came to a mutual agreement and the women expressed that they want to carry out the cushion project and introduced the new rules, which will secure the success of the project.

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<sup>138</sup> Warner and Sullivan, *supra* note 28, pp. 134-137.

<sup>139</sup> UN Global Compact, *supra* note 59.

<sup>140</sup> Prasad, *supra* note 66.

## 4.9 Recommendations

The partnership between IKEA and UNICEF is definitely contributing to community development in Uttar Pradesh. However, as IKEA mentions, there is always something to improve. Therefore, this final paragraph includes certain recommendations for the partnership.

First, there is a great opportunity to increase the impact of the partnership by involving more women in decision-making positions. Even though certain women have been elected as head of villages, men still have the decision-making powers. Women in governmental positions have to take more initiative and act independently of their husband. Furthermore, women with decision-making powers have to improve their relationship with WSHGs. They are able to attend meetings at policy level, influence policies and development planning, and it is important that the WSHGs can contribute to this. Until now, the female head of village lives in isolation instead of being in close contact with the WSHGs. The need for expanding female empowerment, closely relates to the problem of a lack of employment, for which IKEA has already planned to take further steps in order to increase entrepreneurial the skills of women.

Secondly, the partnership should further expand their activities. IKEA and UNICEF decided to extend the project to more villages in the carpet belt and they are establishing new social projects in the cotton growing industry in India and Pakistan. IKEA has been deeply involved in the social projects and their passion for their work created a close relationship with the instructors and motivators of the ALCs and WSHGs in U.P. However, this is cost and time consuming and in order to be able to expand their projects, it is necessary to leave all of the implementation up to other partners. Furthermore, while continuing to scale-up the investment, it is important to increase the cooperation with the government. Even though local people, like the WSHGs, might be able to influence the local government, their power to influence the national government, which finally makes new policies, is still limited. Therefore, UNICEF has to try to get deeper involved with the government at policy level to expand their impact on community development and help with the capacity building of government legal enforcement mechanisms. Even though a partnership cannot simply force a government to fulfil human rights standards, if all partners (company, UN agencies and civil society) speak with one voice to the government and demonstrate the success and impact of the project, there is an increased chance that they can influence national policies regarding the enforcement of human rights standards.

Thirdly, ALCs should not close before the public funded schools offer a good alternative. Even though the ALCs are meant to be a temporary solution, it is a waste of time and effort to end the project before it is sustainable. Therefore, the time limits for when support for the ALCs stops, should not be too strict and might have to be revised if the government offers no sufficient alternative. A positive development is the School Support Programme in which ALCs slowly merge with public funded schools.

Fourthly, there has to be more attention to the teaching of English in schools and in the WSHGs. Besides this, the PMU and local NGOs need to improve their English. It is not the first thing that a partnership should focus on, but once the community is developing, it is important that the next generation will speak and understand English on a level that will enable them to cooperate and to trade with international suppliers.

Finally, I recommend that IKEA share their best practices. A summary of the project is written down in their CSR report. However, IKEA does not use this partnership as a marketing tool, because their code of conduct and the social projects are to secure their own business. Their CSR policy is part of their core business and is not a form of charity. Therefore, they feel no need for media-attention, unless they really do something substantially. During the last five years, IKEA has felt that they had done something substantial and therefore started to share these results internally. They do share the project within their brand group if they are asked for it, but they do not feel that it is their job to share it externally. It is good that IKEA does not use the partnership for PR reasons. Nevertheless, it is a challenge to upgrade the impact of their partnership by sharing more information on the challenges and successes of their approach. There is a need for examples of proper CSR policies and on how to implement a code of conduct efficiently. Multi-stakeholder initiatives can play an important role by codifying best practice. It is a role for both UNICEF and IKEA to demonstrate the positive impacts that they make on community development. Failing to disseminate this information will ultimately discredit and undermine the honest effort to contribute to the fulfilment of human rights by several leading businesses. Communicating their impact on society in market-relevant ways is a new form of competitiveness. Moreover, it increases attention to human rights as being central to the concept of business responsibilities, which might encourage other companies to implement a code of conduct. This partnership demonstrates benefits for all partners, which can stimulate other NGOs, companies and governments to engage in a partnership. Furthermore, the focus on empowerment can contribute to the effectiveness of other partnerships in this partnership on development by demonstrating the importance of capacity building and meaningful participation in the fulfilment of human rights.

## 5 Conclusions

This thesis demonstrates the positive impact that companies can have in the fulfilment of human rights. It can be difficult for a company to make a morally correct decision regarding human rights issues since many problems are complex and political or cultural barriers can mean that violations cannot be corrected immediately, if at all. However, companies can choose not to accept 'cultural excuses' for violating human rights standards, like child labour. Culture is not immutable and it is possible to change mindsets and let people see other perspectives on certain issues. The implementation of a code of conduct is the first step a company can take to include human rights in their policies and performance. Businesses can use the international human rights framework as a central platform for their individual responsibilities and put into practice their voluntary commitments to respect human rights through the application of their own business principles. A code of conduct creates a moral understanding on human rights issues within the company and within their supply chain, which makes it easier to demand certain standards from suppliers and sub-contractors. Instead of solely fulfilling minimum requirements, a code of conduct can demand the further fulfilment of human rights standards and stimulate positive impacts on community development. The execution of these demands might create problems for suppliers and sub-contractors in certain local circumstances. In particular, problems that are strongly affected by ingrained cultural attitudes, like child labour, require changing attitudes in the community. Through social projects, companies can offer alternative solutions to their suppliers to ensure compliance with their code of conduct. Multi-stakeholder partnerships offer the business sector the opportunity to implement these projects in cooperation with civil society, governments, NGOs and for example UN Agencies. However, until now only a few companies are engaged in these partnerships and actively implement a code of conduct. Therefore, it remains important to continue advocacy for new regulations in order to force companies to take into account human rights. In the meantime, companies that do contribute to the fulfilment of human rights have to share their best practice approach and encourage other companies to engage, for example, in a partnership on development.

To create a successful partnership a proper investigation into the project area and the relevant stakeholders is essential. Independent research into the social background of the area makes it possible to decide how to invest most efficiently and with which partners to engage. Furthermore, such an investigation demonstrates that the company is serious about the social impacts of the partnership and really wants to contribute to community development instead of doing it solely for PR-reasons. The most effective partnerships are those that contribute to the way a company is doing business, which means that the way of doing business is socially responsible. Companies have to balance commercial demands and ethical demands that flow from human rights abuses. Forward thinking regarding socially responsible policies is necessary in order to be ahead of problems.



Therefore, CSR has to be part of the core business of a company, which means that all the departments in a company have to feel responsible for the implementation of the CSR policies.

To create a sustainable impact on community development, a partnership has to focus on empowerment, which enables communities to continue development without external aid. Empowerment effects change in ways that are meaningful to the local community, in order to realise human dignity. Capacity building and meaningful participation are the two most important features to empower local communities. Partners should see themselves as the facilitators of social change and development and support social entrepreneurship. This enables local people to set up small business enterprises and other local initiatives. Partnerships focused on empowerment encourage ownership of the development activities by local stakeholders instead of relying on the donor or development agency.

Partnerships have to be based on long-term commitments, because the process of empowerment requires a moral change in the entire community. In order to raise awareness on the rights and opportunities of local people, partners have to take several steps before getting in touch with them. They have to create personal relationships on other levels in society, which means that the multinational partners do not work directly with the local people, but find local partners to execute and implement the project in the villages. People from the community are the most appropriate actors to adjust the partnership programme to local circumstances and set up local initiatives. This might create hierarchy, but it follows the social economic structures of the community. Local people generally have less trust in people from higher castes or functions and prefer to cooperate with persons from the same level. Furthermore, the delegation of responsibilities and tasks contributes to the empowerment of local communities. Female empowerment is especially important to make women the key change drivers of development. The delegation of power requires trust and transparency between the different partners and also requires proper reporting mechanisms in order to evaluate and discuss the progress of the partnership. Such an approach takes time and requires patience, but it is necessary to change attitudes and to contribute to the process of the empowerment in order to add value to sustainable community development.

In the process of empowerment, it is essential to focus on savings and education. Small financial savings enables inter-lending systems within the community and reduce dependency on local moneylenders. Savings are necessary in order to let local people become financially independent and create a network of source flow, which can be the basis of a micro-finance system. Education is essential in order to improve the knowledge and skills of local people in order to continue development without external support. Regarding education, it is more important to invest in good teachers and effective learning methods, than building a school. Investing in people will pay back, whereas simply providing money or materials is only a temporary solution for certain problems. Partnerships have to provide training in order to have a sustainable impact on community development. First, partners have to train workers in practical skills. Secondly, groups have to learn how to

communicate, unite, cooperate and how to discuss urgent social and economic issues. Thirdly, the partnership has to provide training for leaders, which is necessary to enable them to organise effective meetings, to take care of the planning, to manage accounts and to motivate others in the community. Finally, there is a need to train supervisors in order to monitor the progress and to look if changes or improvements are necessary.

Signs of improvement and less poverty motivate people and stimulate an economic drive and therefore, employment is important for sustainable community development. A partnership has to provide the knowledge and skills that enables local people to grow and develop independently. In this process, it is important to keep challenging local communities to take further steps towards the fulfilment of their rights. In order to find employment and to use growth opportunities themselves, which also limits the risk that they become dependent on the assistance of the partnership, local people need to learn entrepreneurial skills.

For a substantial contribution to the fulfilment of human rights, not only local attitudes have to change, but also national policies have to be adapted to new moral standards. Therefore, it is essential to include the government in a partnership on development. Partners can enhance the capacity of the government and enable them to fulfil their duties to respect, protect, promote and fulfil human rights. The impact of the partnership can be limited due to a weak connection with governmental agencies, whereas a strong relationship with the government can upgrade the development of the project. A problem with governments in developing countries is that they often do not go into the remote areas due to a lack of money and infrastructure. Partnerships can link stakeholders on both a horizontal and vertical level and therefore, they can fill the gaps in current governance systems. By setting up micro-planning, a partnership can make governments enthusiastic towards supporting the project on macro-level. Follow-up at policy level can increase the impact of the partnership.

A partnership effectively contributes to the fulfilment of human rights if it uses a rights-based approach. The rights-based approach focuses on participation and the empowerment of the poor and on their right to hold the government and other responsible actors accountable. A partnership with a rights-based approach can mobilise public opinion and build state capacity, which respectively enables civil society to pressure politics and enables governments to fulfil their rights-related obligations.

The indicators formulated in this thesis can offer assistance in writing partnership programmes focused on empowerment and they can be used to measure the impact of the empowerment process. However, every partnership operates in different circumstances and therefore, the indicators have to be adjusted to the local context and the objectives of the partnership.

In conclusion, it is essential in a partnership to empower local communities in order to enable them to expand their choices and opportunities and develop their community independently. A multi-stakeholder partnership can tackle pressing social issues and make local communities self-sufficient. Partnerships on development offer companies, governments and civil society the opportunity to contribute to justice and the fulfilment of human rights.

# Supplement A

## **Working documents field research India**

I used the following questions as guidance for my interviews. The focus and emphasis differs for several partners.

### **Main interview questions:**

General Introduction; explain my thesis project on the successes and challenges of partnerships between business, NGOs, government and other local stakeholders.

### Personal background & work

Can you please tell me something about your personal background?

### Partnership

Can you explain to me why and how you / IKEA / UNICEF / local government got *involved* in this partnership?

What were the *objectives and goals* for the local stakeholders?

What did IKEA / UNICEF / Local government *contributed* to the partnership? (Financial and non-financial.)

- Most important changes?
- Focus on capacity building / empowerment?
- Sustainability of the partnership?

### Communication

Can you explain to me how *the first negotiations* with the several partners took place?

Who represented the local community?

With whom do you *mainly cooperate* and how do you usually communicate with them?

Are there any *reports* available from this partnership / project?

Is it clear who is *responsible* for what tasks within the partnership?

Have there been any discussions or seminars on children's rights or women's rights?

Are you familiar with the human rights instruments that India has ratified?

### Outputs & Impact

Can you mention *actual benefits* delivered through the partnership?

And how *sustainable* are they?

Can you mention any *unintended* / unexpected development outcomes or business benefits? (any negative consequences?)

Is there any institutional change noticeable in one of the partners' organisation?

### Perceptions

What is your perception on children who work?

Equality between men and women?

How would you describe the relationship between the several partners?

General perception on IKEA / UNICEF / government in the community?

Do you feel the partnership is effectively contributing to the development of the community?

How would you prescribe “Empowerment of the local community?”

(Empowerment of who?)

### Concluding

In case one of the partners will leave the partnership, what do you think will happen?

Do you believe this multi-stakeholder partnership also works for other companies / industries?

Are you familiar with any similar partnerships on development?

# Supplement B

## **Main Research Question:**

How can multi-stakeholder partnerships contribute to the fulfilment of human rights, especially the rights of children?

## Sub questions:

- How can multi-stakeholder partnerships create a positive impact on community development?
- How can one measure the empowerment (and meaningful participation) of local communities in partnerships on development?

## Sub-sub questions:

- What are the objectives and expectations of the different partners and what was the outcome of these initial ideas after several years?
- Is it necessary to participate with local communities from the very beginning of the partnership to create real engagement in the partnership? How do you select local stakeholders?
- Who is representing the local community? Is this person (chief/leader/head of local NGO) able to equally represent the core values/opinion and will of the local population?
- Why is it important to measure the empowerment of the local community?
- Is empowerment the same as capacity building?
- What does meaningful participation mean?
- Can the indicators assess the change / 'real' impact of a partnership before becoming officially engaged in the partnership, so the indicators can be used as a tool to assess if a company wants to participate in a partnership?
- For which industries can the indicators be a useful tool? (intensive-labour industry / agricultural / pharmaceutical / extractive industry)

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